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## GENERAL

### Healey puts on the heat

Mr. Denis Healey, Chancellor of the Exchequer, yesterday made a strong bid to establish his claim to the Labour leadership. Page one — general summary. Supporters of the Chancellor said they were building a sound base from which he could advance after the results of tomorrow's ballot. They claimed that enough second choice votes had been gathered to offer a real prospect of victory as the election proceeded. Mr. Edward Short, Labour's deputy leader, was reported to have pledged his vote to Mr. Healey. Back Page

### Argentina may halt air traffic

In Argentina, where suggestions persisted of an imminent coup, reports have been told by a senior air force officer that all flights in and out of the country would be stopped at midnight. It was expected that ports would also be closed.

### IRA funds from U.S. 'drying up'

Mr. Liam Cosgrave, Irish Premier, said in Dublin yesterday that his effort to stop the flow of funds from the U.S. to the IRA had been a success. In London, two men detained after the discovery of a bomb factory at Lavender Hill, Battersea, were released. No charges have yet been preferred against three men and a woman who are being interviewed and two men in one hospital following explosions. But economic partnership party

ing following Princess Margaret's first public appearance since the announcement of her separation from Lord Snowdon—the princess and her 14-year-old son, Viscount Linley, attended a reception aboard HMS Hampshire in the Pool of London last night. Mr. Roddy Llewellyn, 28, who had been on holiday with the princess in the Caribbean, issued a short statement. Mr. Llewellyn said he would not comment on last week's events and expressed his loyalty to the Queen and the Royal Family.

### Giscard restores Bastille glory

Paris's annual Bastille Day parade, which has been banished to a working class suburb by President Giscard d'Estaing for the past two years—much to the distress of the area's inhabitants—is to return to its traditional glory on the Champs Elysees. Giscard's tarnished image Page 6

### Siberia bound

Winter package tours to Siberia are to be introduced by Thomson Holidays next winter. Prices range from £127 for a week. "There is always a group of people who want to do something first," the company explained.

### Another Hogg

Lord Hall's son, the Hon. Douglas Hogg, a 31-year-old barrister, has been chosen from 190 applicants as Conservative prospective parliamentary candidate for Grantham, Lincoln, where Mr. Joseph Gobbie MP is retiring at the General Election.

### Briefly...

Mr. Brian O'Malley, 46, Minister of State in the Department of Health, was admitted to Westminster Hospital last night after collapsing in the Commons. Three priceless Renaissance paintings stolen a year ago from Urbino's ducal palace have been found in a Locarno, Switzerland, hotel. Shane, the pet Woking Hound which left on the back of a woman wearing a leopard coat, must be securely caged. A High Court judge—who also lives in Woking—ordered.

## CHIEF PRICE CHANGES YESTERDAY

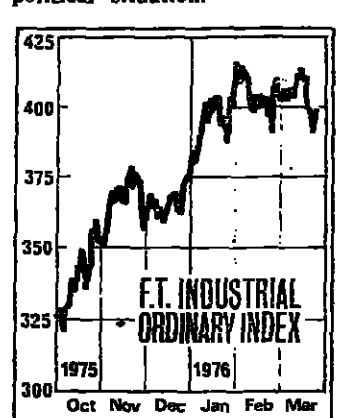
(Prices in pence unless otherwise indicated)

RISERS	
Treasury 11pc 1981-1982	101 1/2
Treasury 13pc 1987-1988	106 1/2
Albright	97 1/2
Asset P. Cement	191 1/2
BSR	108 1/2
Bank of Scotland	273 1/2
Beecham	357 1/2
Bestobell	136 1/2
Bovater	180 1/2
British Home Stores	380 1/2
De La Rue 'New'	31 1/2
Dunlop	87 1/2
Fisons 'New'	21 1/2
Grand Metropolitan	73 1/2
GKN	39 1/2
Hawker Siddeley	410 1/2
Leiraset 'New'	18 1/2
Reardon Smith	180 1/2
Sale Tilney	90 1/2

## BUSINESS

### Equities rise 7.8 to 399.1; gilts up

● EQUITIES rallied after five successive days of falling share values. The FT 30-Share Index rose 7.8 to 399.1. But trading was still at a low level, with sentiment sensitive to the political situation.



● GILTS improved, with gains to 1. The Government Securities Index gained 0.36 to 61.89.

● WALL STREET was up 6.06 at 988.55 near the close.

● STERLING gained 45 points to close at \$1.9255; its trade weighted depreciation shrank to 33.6 per cent. from the previous record closing figure of 33.9 per cent. Dollar's weighted fall narrowed to 2.06 (2.32) per cent. Strains on the European snake further eased. Back Page

● GOLD fell \$1 to \$133.1.

● U.S. TREASURY Bill rates at this week's auction: Three 4.50 (4.98) per cent, 20-year 5.50 (5.49) per cent.

### Leyland strike troubles ease

● LEYLAND'S industrial relations problems eased as 700 test engineers returned to work after a fortnight's stoppage. ACAS will intervene today in a tool-room workers' strike which has halted production of Land-Rover and Range-Rover models. Page 13

● TARIFF-CUTTING scheme for industrialised countries, involving across-the-board cuts of up to 80 per cent, on most duties, presented by the U.S. at Geneva trade talks. Page 4

● TEXTILE FIBRE consumption is likely to grow at the modest rate of only 2.5 per cent during 1976-80, with synthetics growing at 7 per cent, says Du Pont. Page 5

● GLASGOW Chamber of Commerce survey showed that 21 per cent of member companies had improved home market sales, against 16 per cent in the previous survey three months earlier. Page 14

● EEC has subsidised U.K. food imports by more than £265m., said Mr. Lardinois, Commissioner for Agriculture, in a defence of the Common Agricultural Policy. Back Page

● BTR is making a £15.5m. offer for SW Industries as the first step in its plan to expand in the U.S. The deal is expected to be financed through dollar borrowings. Back Page

● STOCKBROKERS Lewis Altmann suspended by the Stock Exchange Council from trading pending clarification of the firm's position after revocation of certain permissions under the Exchange Control Act 1947.

## COMPANIES

● BICC proposes to raise £19.95m. in a one-for-five rights issue at 87p. Page 23 and Lex

● ASSOCIATED PORTLAND CEMENT Manufacturers boosted pre-tax profit last year to £42.5m. (£22.5m.), with higher turnover of £286.1m. (£213.3m.). Page 23 and Lex

FALLS	
BICC	109 1/2
Pegler-Battersley	198 1/2
Whitby (G.M.)	21 1/2
Kloof Gold	440 1/2
Western Hldgs.	£194 1/2
Westfield Minerals	170 1/2

## FOOT WARNS ON 'FALSE OPTIMISM'

# Unemployment falls for first time in nearly two years

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

Unemployment has fallen in the U.K. for the first time in nearly two years. Figures issued by the Department of Employment yesterday show that between mid-February and mid-March, the number of jobless, on a seasonally adjusted basis, was down by 5,700 at 1.227m. (5.3 per cent.).

For the third month running there was an increase in the number of unfilled vacancies being notified by companies to employment exchanges—up 8,500 on a seasonally adjusted basis to 122,000. The unadjusted total of people registered as out of work also dropped—by 19,500 to 1,235m., or 5.5 per cent. of the labour force.

While welcoming the figures, Ministers and officials yesterday were quick to emphasise that they did not necessarily herald a change of trend. Mr. Michael Foot, Secretary for Employment, said: "I want to caution everybody against false optimism."

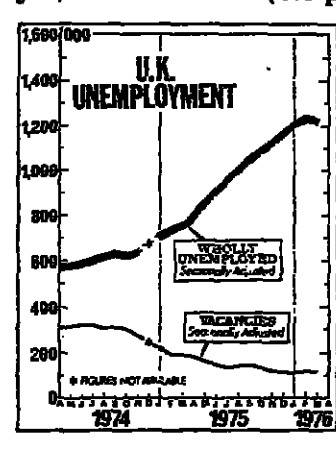
"We have a long way to go before we can say we have defeated unemployment and doubtless there are more problems ahead."

In spite of such cautious comments, however, there can be little doubt that the March figures come at a politically convenient time for the Government.

Even if they merely herald a slowing down in the upward trend rather than a turning point, taken with the recent run of vacancy figures the March unemployment statistics must at least ease some of the pressure from Labour's Left wing for massive reflation.

The problem in interpreting the latest figures is that they come at a time when the Government's own mixture of job creation schemes and temporary employment subsidies is reckoned to have "saved" or created upwards of 10,000 extra jobs since the end of February.

This brings the estimated cumulative effects of the Temporary Employment Subsidy to 25,000, job creation to 9,400 and unemployment subsidy for school leavers to 21,300.



In spite of this, the slowdown in the rate of increase in unemployment has been so marked—from 46,000 a month between September and December to 17,000 a month between December and March—that forecasts of unemployment rising to 1.5m. or more seasonally adjusted by the end of the year certainly look too pessimistic.

The March figures come after a succession of statistics indicating that the economic upturn has begun, with destocking slowing down—and in some cases being followed by restocking—industrial production and gross domestic product rising, and exports in particular going up sharply.

On top of this—and perhaps most important of all—recent business opinion surveys point to improved order books for home and export business and a marked revival of business confidence.

Such changes in confidence can often lead economic forecasters by surprise. There is little doubt from their earlier speeches that Ministers were not prepared for this.

Continued on Back Page  
Editorial comment, Page 20  
Ulster industry: the diminishing return, Page 21

## Changes in dock work Bill fail to please key union

BY CHRISTIAN TYLER, LABOUR STAFF

THE GOVERNMENT has tabled major amendments to its controversial dockwork Bill in an attempt to appease unions afraid that their members' jobs will be taken away by dockers belonging to the Transport and General Workers' Union.

But the amendments tabled by Mr. Michael Foot, Employment Secretary, got a cool reception yesterday from one of the biggest unions concerned, the Union of Shop, Distributive and Allied Workers. USDAW said it would be putting its own amendments to the Commons standing committee which is now going line by line through the Bill, in order to get the exemptions announced yesterday by the Government widened still further.

Lord Allen, the union's general secretary, said last night: "At no time has there been any consultation between the Government and USDAW on the widening of the dockwork Bill, which does not appear to meet our objections to the extent of the Bill's coverage."

Although USDAW's reaction could spell trouble for the Government on the committee (where the union has one sponsored MP), the other two big unions involved, the General and Municipal Workers and the National Union of Railwaysmen, appeared satisfied that their members' livelihoods will now be safeguarded.

The most important of the 15 amendments would allow workers doing "dockwork" within the proposed five-mile cargo zone to refuse to enter the scheme if they have a union agreement with an employer covering that work which dates from before September 18, 1967. This is the date when the scheme was amended and dock labour was decasualised.

This provision could put many warehouses and cold stores beyond the Dock Labour Board's reach. Container operations—source of some of the dock disputes—are mainly too newly established to qualify.

### 'Cosmetic'

It could also placate individual employers who have argued that having to take on registered dockers would put firms out of business.

Although registered dockers do not necessarily earn more than warehousemen and others inland, employers of registered dockers have to pay an annual levy of 12.5 per cent. of the dock rate to the Board to cover the cost of the scheme. They also claim that dockers' output per man is lower.

Despite Mr. Foot's concessions, which embody the demands of the TUC transport industries committee, the Bill is not unexpectedly planning further amendments for the Opposition to table next week.

A spokesman said Mr. Foot's proposals were "virtually cosmetic" and did not deal with the real point which was recognising agreements between employers and existing unions.

Other Government amendments aim to prevent existing union agreements being upset when workers become registered dockers—an attempt to quieten those who fear they will be forced into membership of the TGWU.

Likewise, some work presently done by non-dockers in ports covered by the scheme could continue to be exempt; this affects mainly members of the railway union in British Transport Docks Board ports.

In the Parliamentary committee itself, work on the Dock Work Regulation Bill has been going slowly. But the first real test of the Government's strength could come so-morrow when a division may be called on Opposition amendments which seek to whittle down or strike out the five-mile cargo-handling zone.

The support of the union-sponsored MPs for the moment at least seems assured. Last night Mr. James Johnson, the GMWU-sponsored Humberston MP, said: "I think these proposals cover any anxieties and worries our members could have had. Employers too will be dealing with the same unions they always have, and not the ones they seem to fear from the dockside."

## Metrication Bill is withdrawn

BY PHILIP RAWSTORNE

THE GOVERNMENT, threatened by another revolt of Labour backbenchers, yesterday postponed a Commons debate on its legislation to speed the conversion to metric weights and measures.

Mr. Edward Short, Leader of the House, announced that the Weights and Measures Bill due to be given a second reading tomorrow, would be withdrawn to allow time for further consultations.

Some 18 Labour MPs—mainly Left-wing, anti-EEC but concerned primarily about a reputation of the 'declassification confusion'—had indicated to the Government Whips that they could not support the Bill.

Conservative leaders, protesting about the lack of Government information on conversion dates and consumer safeguards, also intended to vote against the legislation. And, faced with the prospect of a defeat for the Government, Mr. Short retreated. "The Government tries to govern by consent not confrontation," he said amid laughter. The Bill is unlikely to be brought back to the Commons until mid-April.

Mrs. Sally Oppenheim, Tory spokesman on prices and consumer protection, later condemned the Government's measure as "an arbitrary and arrogant imposition of mandatory metrication."

### Debate

The Government's handling of the issue had been characterised by "muddle and indecision" and had now "degenerated into chaos," she said.

Mrs. Oppenheim called on the Government to withdraw the Bill altogether and demanded a full Commons debate on the metrication issue. The Government should make it clear whether it intended to take advantage of an EEC directive allowing it to delay until after 1980 metrication of certain goods which formed an important part of the budgets of pensioners and poorer families.

Ministers claim that the legislation follows repeated demands from trade industry and consumer organisations on the Government to take the necessary powers to ensure that metrication would be completed in a simple and orderly manner. There is considerable bitterness about the Conservative attitude. Ministers say that there had been an understanding that the Opposition would support the measures required to complete the metrication programme. The gradual voluntary change-over, begun in 1965, is running several years late, according to the Metrication Board.

Under the Bill's powers, the Government, expected to bring the metric system into every day use in the retail sector by 1980. It would be able to phase out and restrict the use of imperial measures and set cut-off dates, if necessary. Ministers had given assurances that the Price Code provisions would safeguard consumers' interests and that price-marking powers would be used, if required, to enable consumers to make value for money judgments.

The brake on metrication Page 20

## Smith rejects 'extremist' U.K. proposals

BY TONY HAWKINS

SALISBURY, March 23

MR. IAN SMITH to-night rejected the latest British suggestions for a Rhodesian constitutional settlement, describing Mr. James Callaghan's proposals as "no less extreme than those of the African National Council."

"It is the considered view of my Government that Mr. Callaghan's statement does not offer any hope of making real progress towards the constitutional settlement which we all desire," the Rhodesian Prime Minister said.

On the African side, Mr. Joshua Nkomo has also rejected the Callaghan statement though for different reasons. He believes that an 18-month to two years transition would be "too long." His talks proposals provided for an interim period of a year.

The Rhodesian Prime Minister issued his hard-line statement to-night after the Cabinet had held its normal weekly meeting. He accused the Foreign Secretary of choosing to disregard the realities and reviving the demand for Nibmar (no independence before majority African rule).

"First put forward by his erstwhile leader (Mr. Wilson) some years ago and subsequently dropped."

"This demand is as unrealistic and unacceptable now as it always has been," said Mr. Smith.

Mr. Smith regretted Britain's rejection of his "constructive suggestion" for a non-party and impartial British delegation to visit Rhodesia and make an on-the-spot assessment. Britain could not assess the position objectively from a distance of 6,000 miles—a problem made worse by White-

hall's being in contact with only one party to the dispute. "It is important to stress that the itinerant Black politicians represent only a comparatively small section of Rhodesian opinion," said Mr. Smith.

The Prime Minister said he would not comment on Mr. Callaghan's "contentious and provocative" remarks about himself, but he rejected the charge of "prevarication" levelled by the Foreign Secretary. The talks with the Rhodesian ANC had broken down last Friday because of the "extreme and unacceptable nature" of Mr. Nkomo's demands.

The continuity of the talks was frequently interrupted by "numerous" trips abroad by the ANC. "These delays were not of my making."

Mr. Smith said he had suggested that Britain send an emissary to Rhodesia for two main reasons. First, he was concerned at the indefinable stand of the ANC demanding an immediate black takeover, and secondly he knew that while Mr. Callaghan was in close contact with the ANC, he was "out of touch" with white opinion.

Lord Greenhill, who visited Salisbury last month, had been left in no doubt of the "chaos" which would follow premature black rule and the resultant loss of white confidence. The British emissary, whom Mr. Smith described as "a man of integrity," had met a wide cross section of Rhodesian business opinion and he was sure that Lord Greenhill would have painted a true picture on his return to London.

## Help the whites to leave — Nyerere

BY BRIDGET BLOOM

DAR ES SALAM, March 23. A SUGGESTION that the Commonwealth might reduce the length and suffering of the war in Rhodesia by financing White Rhodesians who want to leave in advance of black rule was made here to-day by President Nyerere of Tanzania.

In an interview with the Financial Times, the Tanzanian President said he believed there were many white Rhodesians who could never adjust to majority rule but who, without an alternative place to go, would stay and fight, thus prolonging the war and the suffering of both black and white.

These people should be helped to leave the country through an offer of "compensation" which might take the form of financial aid and of a guaranteed home in a country of their choosing.

Admitting that the idea he was now "floating" would be controversial, President Nyerere said he had not yet worked out details of sums which might be involved. At this stage, he was interested in finding out whether the principle of such "compensation" would be acceptable.

If it were, he believed the best way of organising it would be through the Commonwealth although the participation of other Western countries, including the United States, would be welcome.

While the possibility of a Commonwealth or even Western role in underwriting both compensation for whites and financial aid to Rhodesia after independence is by no means new—indeed, Mr. Callaghan touched on the subject on Monday—President Nyerere stressed that the scheme he had in mind should be brought into operation as soon as possible—in other words, before majority rule had been achieved.

The President said he had already informed a number of Commonwealth Governments of his suggestion and that he was drawing up a memorandum for submission to the Commonwealth Secretariat and all Commonwealth Governments.

Meanwhile, Dr. Nyerere, who leaves to-morrow for a one-day summit with colleague African Presidents in Lusaka to discuss future strategy on Rhodesia, said he was "very pleased" that the Smith-Nkomo talks had broken down. He had never believed that they had any chance of success, but while they continued they confused the real situation in Rhodesia and kept alive false hopes. Now everyone he said, was "face to face with reality."

The President warmly welcomed Mr. Callaghan's Rhodesia statement on Monday. It was "most welcome," particularly

Continued on Back Page

FEATURES		FEATURES	
The Weights and Measures Bill	20	Looking for an opponent	4
Ulster industry: the diminishing returns	21	Angola and Zaire	5
Retraining from redundancy	18	The charm wears off	6
ON OTHER PAGES		ET SURVEYS	
Appointments	14	Cleveland	16-17
Appointments Adv.	14	Overseas construction	27-33
Arts	22		
Companies News	22		
Crossword	2		
Entertainment Guide	19		
Financial World	19		
Foreign Exchanges	36		
FT Accurates Indexes	36		
FT Clipper race	8		
FT's Events	2		
Home News	7-8		
Int. Company News	26		
Labour News	13		
Leading Articles	26		
Letters	22		
		World Trade News	34

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## Obsessions and Fantasies

by MICHAEL COVENEY

The beautiful dreamers are Bruce Lacey and his wife, Jill, and the tone of their evening of sci-fi glitter and therapeutic nonsense is well caught in Bruce's excuse for the Ginger and Fred routine they indulge in towards the end: "It's not so much what it looks like to you; it's what it feels like to us." Bruce, who is musician, artist, catchphrase philosopher, and father all rolled into a happily radiant one, will be glad to see you any night, but would much prefer to know that you had stayed at home to devise your own entertainment by painting the cat, chewing the carpet and making love in front of the children.

What an anarchic middle-aged daredevil he is, managing somehow to live with his nine children on £15 a week and occasional subsidies from the Arts Council. Whether or not you believe him is immaterial; but that he believes in himself is indisputable, and that's fine. On film we see him and Jill exchanging French kisses while reading each other said rolls and empty meringues; we see him and Jill making love to each other in separate rooms, and in full detail and colour—the bodies are merged in a cinematic transposition; we hear a quaint little Benjaminite crier for the lost charms of Woolworth's with its varnished doors and linoleum floors; and Bruce rehearses on a bass guitar while extrapolating the sensation of performing for an audience.

It is all quite shapeless, harmless and deliciously pointless. You may be worried to know that Mr. Lacey takes himself seriously enough to report that, as a result of playing at Manchester Polytechnic, a student threw up his course in sewage engineering and took off to be a farmer. In the final sketch, Bruce and Jill, dressed like enemies of Dr. Who, shower the audience in the potted sperm of the clown generation, hounded from the earth by a reactionary government. The polytechnic bags contain—you guessed it—popcorn. It seemed awfully appropriate that, on opening night, the studio was cold, uninviting and half empty.

### Radio 3

## Fennimore and Gerda

by RONALD CRICHTON

The last and surely the best opera of Delius was heard on Monday from Radio 3 in a European Broadcasting Union concert from Copenhagen. The source was not as unlikely as it may seem: Delius based his libretto on the novel *Niels Lyhne* by the Danish writer J. P. Jacobsen. *Fennimore and Gerda* has turned up only occasionally in the odd broadcast, in shoestring productions at Fulham and Camden, but those sympathetic to this composer have been left hoping for a recording to join those of *Koanga* and the *Village Romeo and Juliet*. Recordings, and broadcasts too, for that matter, minimise the faults of Delius as a theatre composer. Now it appears that EMI will issue this fine performance on the Danish Radio Symphony Orchestra under Meredith Davies, with Elisabeth Söderström, Robert Tear, and Brian Rayner-Cook as the principals.

*Fennimore* is an unusual, beautiful work, sophisticated in detail, naïve and even clumsy in conception, but so full of Delius's special brand of lyrical ecstasy that the lopsided construction matters less than one might think. There are eleven scenes, or "pictures," played without interval but with three short pauses in the duration of which is carefully noted by the composer—to coincide with this performance. Boosey and Hawkes have issued a study score, price £8.50, which is an admirably clear reduction from the old (and finely printed) Universal Edition full score of 1928. *Fennimore and Gerda* are both women, the successive loves of Niels Lyhne. The first nine scenes are concerned with a triangle between Fennimore and two of her cousins—Niels, who at that youthful stage is a poet, and Erik Refstrup, a painter.

Niels and Erik are close friends as well as cousins. Fennimore is attracted to both, chooses Erik, but regrets it when he turns out to be better at drinking than at painting, then turns to Niels for consolation.

## St. George's Theatre to open in April

The St. George's Theatre in Tufnell Park Road is to open on April 21, after a gestation period comparable with that of the National Theatre. The first production will be *Twelfth Night*, with a strong cast directed by Frank Hauser. Eric Porter will play Malvolio, Sarah Badel as Olivia, Lynn Farielagh as Viola, John McEnery as Aguecheek, Ronnie Stevens as Feste.

The setting has been designed by C. Walter Hodges, the authority on Elizabethan and Jacobean playhouses, and the costumes by Bernard Cusshaw. There will be a preview on April 20, and on April 23—St. George's Day and traditionally Shakespeare's birthday—there will be a party after the performance for everyone in the house.

*Romeo and Juliet* will open on June 2, directed by George Murcell, the "onlie beggetter" of the project. Sarah Badel will play Juliet and Peter McEnery Romeo. The Nurse will be taken by Rosemary Leach.

The third production for the initial season will be *Richard III*, also directed by Frank Hauser, with Alan Badel as Richard.

The box office is at 49 Tufnell Park Road, N.W. telephone 600 098. The nearest Underground station is Tufnell Park, a few minutes' walk away. Nos. 4 and 19 buses pass the theatre, half a dozen other routes run very close to it.

### Greenwood

## Sur le Fil by GARRY O'CONNOR

Arrabal's latest play, in the French season at the Greenwood, shows him in muted vein. The flamboyant sensuality, horror, even cannibalism, which hitherto have been generously distributed on the slightest pretext, are toned down to an almost folklorish melancholy. *Sur le Fil* (On the Tightrope) was written, Arrabal tells us, after a visit to the ghost-town Madrid, Mexico, in April 1974, while he himself left Madrid, Spain, some twenty years earlier, in the very same year the former Madrid lost all its people.

The setting is the new ruined and deserted industrial landscape: a disused pit-head, a rusting railway line, a forlorn truck. As in his other play *The Car Cemetery*, the stage is replete with ghosts—this time, dead miners—from a dead civilisation's carcass. A rich man's son, known as the Duc de Gaze, takes refuge there with his companion, Tharais, a mixture of sexual hedonist, poet in exile, revolutionary—and tight-rope walker (Arrabal revels in such combinations). This pair is joined by another, but fading, artist of the high wire, Wichita, whose devotion to the wire embraces sexual ecstasy.

Wichita is the first to go in this predictably apocalyptic *mélée*, which does not quite reach the dimension of vision. He throws off his clothes, buries his book, and jumps down the mine to join the thousands of silhouette-riddled bodies already there. The other pair are about to be mown down by machine-gunning helicopters directed from Washington. However they are miraculously spared as the omnipresent vultures turn to attack the helicopters. Tharais is able to finish his tight rope walk in peace, watched by the ghostly inhabitants of the city who turn out in thousands.

Clearly Arrabal is rhapsodising on his own exile from Spain, invoking shades of Picasso and Casals. Jorge Lavelli, the



Jon Vickers and Christa Ludwig in 'Carmen', which opened last night at Covent Garden



Richard Freeman and Prue Clarke in 'Very Good Eddie', which opened last night at the Piccadilly

### Television

## Turning to the light

by CHRIS DUNKLEY

There were four longer-than-average programmes last week each dealing with a serious topic of current affairs. In order of transmission they were: *The Edelin Affair* (80 mins.), which was concerned with abortion and was broadcast in the *Horizon* slot; *Hearts and Minds* (108 mins.), which was concerned with the Vietnam War; *The Second Battle of Britain* (70 mins.), which essayed a diagnosis of the ills supposedly affecting this country at present and was broadcast by *The Money Programme*; and *The Question of Ulster*, 76 (90 mins.), which was concerned with possible solutions to the Northern Ireland conflict.

The first three programmes each had an unmistakable point of view: all three commanded attention throughout; and all three were American. The fourth—*The Question of Ulster*—was made by the BBC and chaired with scrupulous fairness by Ludovic Kennedy. It was "balanced" worthy and virtuous. It was also boring, almost to the point of soporiferousness, and arguably it was pointless since it failed to include in its long studio discussion representatives of certain very powerful elements which are all too obviously present in Ulster.

In view of some of the remarks about BBC current affairs made in this column in the last two weeks, and in the light of one letter from a BBC current affairs executive, who wrote to say (*inter alia*) how much longer than ITV they gave to current affairs, one significant fact about all these programmes which must be pointed out is that the BBC which enabled a British audience to see them all. Full marks for that.

I am afraid, however, that those three programmes from the U.S. served only too effectively to draw attention to the emasculation of British current affairs television in general and the BBC's in particular.

If you tried to make a rule saying that historians weren't allowed to express—or even to hint at—strongly-held opinions, you would be in the land of the living. The rule is that if you happen to be a historian working on very recent or ancient history, and in television instead of print, then you will be emasculated in precisely this way.

But what does it matter, it may be said, so long as other people such as the Americans are allowed to make opined current affairs programmes which can then be shown here by the BBC? A system, in other words, in which opinions and programmes can be shown in Britain so long as they are not British.

First, it matters in principle: it is high time that the scarce broadcasting resources of this increasingly pluralistic society of ours were opened up to a greater diversity of views and interpretations of current affairs. We need more than the unproductive contentions which we are presently invited to watch so often

in the name of "balance." Second, it matters because the strongly flavoured programmes produced in other countries may make fascinating viewing but they will tend, naturally, to deal with events concerning those other countries and not Britain. We have had to wait years for Morley Safer's *The Second Battle of Britain* to be made for American consumption.

(There is an irony here that should not go unremarked since it shows that other countries, however free their programme makers may be to express or to imply opinions, still suffer from problems similar to our own: *Hearts and Minds* despite winning an Oscar as Best Documentary Feature Film, has still not been shown on one of the three major American networks, but only on the small Public Broadcasting Service. Similarly, *Les Chagrins et La Pitié* was shown twice by the BBC without ever being shown in France. They make 'em and we show 'em.)

What does all this mean in terms of the actual programmes? It means that in *The Edelin Affair* W.G.E.H. Boston could dramatise the trial in which an American doctor was found guilty of manslaughter of a human fetus, and show us the courtroom arguments around an extraordinarily complicated maze of forensic medicine (did the fetus draw breath outside the womb or not?) and leave us with two very distinct impressions: that the makers of the programme believed the verdict went the wrong way—and that if the producers had not been in favour of legal abortion, the programme would never have been made at all.

It was mainly the introduction to the programme, telling us that the film, case against Dr. Edelin was brought by the District Attorney in his election year, and the brief comments at the end to the effect that it is poor women who have suffered most from the Edelin verdict because American doctors are now very much more circumspect about carrying out abortions, which bore the marks of opinion.

*Hearts and Minds*, on the other hand, expressed one uncompromising attitude towards the Vietnam War throughout: that of the person who believes that from Dien Bien Phu onwards the American policy was wrong. There was no "balance" here. With Hollywood movie clips they sought to show popular culture building up an image of Asians as little yellow monsters; the American Indian told how his drill sergeant called him "Squaw" or "blanket-arse" and how he wanted to "go kill some gooks" all the same. A merry chorus of "The Yanks are Coming" was played as an accompaniment to pictures of American soldiers, turning flame-throwers on peasant dwellings and destroying stores of food in front of weeping old women.

While programmes are as strongly committed as that to

## Just quality, speed, range and price are not enough

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As the world's largest manufacturer we have a wealth of practical experience from all kinds of bearing applications. We make this know-how available by working in close co-operation with customers.

### Purcell Room

## Ann-Marie Connors

by ELIZABETH FORBES

Ann-Marie Connors, soprano, made her London recital debut at the Purcell Room on Monday. An ex-student of the Royal College of Music, where she carried off all the available honours, Miss Connors sang a memorable *Countess* in a *Colasse* performance of *The Marriage of Figaro* a year or two ago, and since then has won the Mozart prize at Salzburg, where she was invited to give a recital. She has sung in concert, and, oratorio, in Britain, and studied briefly in Paris with Régine Crespin.

Her voice, well-focused, bright-toned and rock-steady, is already of considerable size, and flashes out most excitingly at the top. She chose an interesting, balanced programme, made up chiefly of German and French songs, with a Mozart concert aria, "Misera, dove son!—Ah non son io che parlo," to begin with. This served nicely to get Miss Connors' voice flowing freely, and the group of songs by Brahms that followed was smoothly phrased, though without any particular insight into the poems set. "Unbewegte Luft" had an appropriate serenity in its opening lines, while the words of "Die Mainacht" were soaked on a rich stream of tone. "Von ewiger Liebe" was carefully if not deeply characterised.

In songs from Poulenc's pianist was Brian Lampert.

### St. John's, Smith Square

## BBC Singers

by DOMINIC GILL

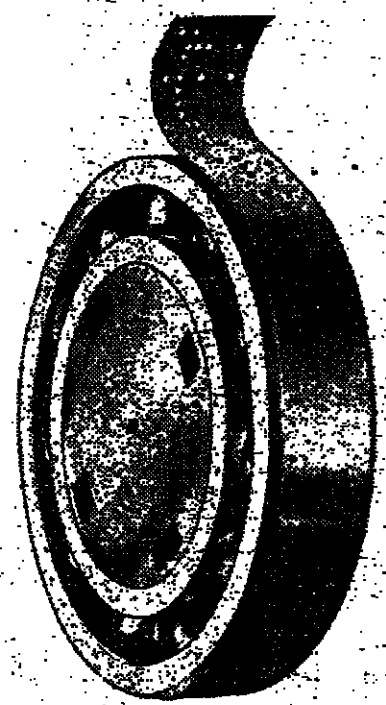
The last of the BBC Singers' melodramatic effect of the series of six early-evening concerts at St. John's on Monday, like the first, offered an imaginative programme, conducted by John Poole of a capella music old and new, rounded with Bach motet, agreeably but unremarkably sung.

Their performances of three Gesualdo Responsories at the start of the evening were actually disappointing: straightforward and capable, but lacking in all manner of finesse, nuance of light and shade, subtle pointing. Strange to hear *Tenebrae fuge mea*, and the marvellous wandering chromatic lines of *Tristis est anima* so blankly and blandly shaped. The lovely *Vinea mea electa*, too, speaks of far greater sensuousness and intimacy than the Singers allowed. The very depth they made, as well as the mark and manner of the interpretation, lacked lushness and depth.

The new work of the concert was a *Little Passion* by Anthony Payne, six minutes long, neatly laid out in four parts to anonymous 14th-century words on the grief, meaning and triumph of the Passion. An unassuming, gently civilised setting, not one felt, profoundly responsive to its text, but with lyrics of Stephen Sondheim, and pretty, I was uncomfortable which opens at the Mermiad only—with the slightly blunt, Theatre on May 4.

### Sondheim at The Mermiad

Millicent Martin, Julia McKenzie, David Kernan and Ned Sherrin star in *Side by Side* by Sondheim—a new musical entering, not one felt, profoundly responsive to its text, but with lyrics of Stephen Sondheim, and pretty, I was uncomfortable which opens at the Mermiad only—with the slightly blunt, Theatre on May 4.



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# SKF



## WORLD TRADE NEWS

## U.S. tariff cutting proposals

BY DAVID EGLI

A COMPREHENSIVE American proposal for tariff reductions by industrialised countries was presented today in the tariff group of the Multilateral Trade Negotiations. U.S. sources suggested this was a "major initiative" which could lead to the early negotiation of a tariff cutting formula, but European and other trading partners of the U.S. appeared privately to be less than enthusiastic about the terms offered.

The basic U.S. approach is linear. It calls for across-the-board cuts of up to 60 per cent. (the maximum permitted under the Trade Act) on most duties, on all tariffs above a seven per

cent, current level. It apparently does not allow for deeper cuts in the higher tariff range, nor on the presently low tariffs. But it does make a grudging concession to tariff harmonisation—a formula backed by the Europeans—on duties of up to seven per cent. Here, it is understood, tariff cuts might be marginally lower, 50 per cent, instead of 60 per cent, on the lower duties.

Other industrialised countries in the multilateral trade talks, notwithstanding the improved economic forecasts, fear that a sixty per cent. linear tariff cutting proposal is far too ambitious, particularly as, in the U.S. view, this would

apply to agricultural as well as industrial goods. Protectionist pressures are still strong on both sides of the Atlantic, and this sweeping formula may offer scant chance of real negotiation.

In any case no forward movement is expected until the EEC presents its own more specific tariff cutting formula which is unlikely to be before June. In essence this will probably stick quite close to the basic EEC view, that the extent of the cut should be equivalent to the initial level of the tariff: a fifty per cent. tariff would be reduced by fifty per cent., a twenty per cent. tariff by twenty per cent.

GENEVA, March 23.

## U.K. ambassador promotes Nimrod sales in Japan

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, March 23.

A STRONG sales pitch for the Hawker Siddeley Nimrod anti-submarine aircraft was made today by the British Ambassador to Japan, Sir Michael Wilford, in the course of a speech to an audience of diplomats and businessmen on U.K.-Japan economic relations.

Sir Michael, who was addressing the Yomiuri newspaper's International Economic Society, said the Nimrod was the "finest anti-submarine aircraft in the world" and though relatively expensive could be economic to use because its "magnificent performance could mean that fewer aircraft need be bought."

The Ambassador did not refer directly to the Lockheed affair which has caused Japan to postpone a decision to buy the Lockheed PC-3 anti-submarine patrol aircraft. The opportunity which could be created by the Lockheed affair, however, was clearly the reason for Sir Michael's remarks.

British sources have been careful to stress recently that Japan is not being subjected to a "hard sell" so far as Nimrod is concerned since no decision has been taken yet actually to cancel the purchase. The U.K. is not missing opportunities to remind Japan of the Hawker Siddeley alternative. Hawker Siddeley itself will have an opportunity to present at an exhibition of aviation industry equipment to be held at the British Export Marketing Centre in Tokyo early in April.

Sir Michael's remarks about the Nimrod came in the course of a wide-ranging speech which covered most aspects of U.K.-Japan economic relations and included some pointed comments on a number of the more sensitive issues involved. Sir Michael said Britain did not regret Japan's recent spectacular success in selling cars in the U.K. market, but he went on to stress

that Japan's own import market had only been "extensively liberalised" since the late 1960s.

Even now trade between the U.K. and Japan was "not typical" of trade between two pairs of developed nations and U.K. exports to Japan, despite an intensive government-backed promotion effort, were growing more slowly than Britain's exports to the U.K. Japanese safety and health standards as a special problem for exporters and called for greater efforts for their harmonisation with European standards.

Sir Michael also argued that Britain could be earning more

from its exports to Japan if

sectors such as the banking and insurance industries were fully liberalised.

Sir Michael said that foreign and Japanese banks in Tokyo were officially subject to the same Government controls, but suggested that these controls might bear more heavily on newly established foreign banks than on others. Banking and insurance could be considered the "special lines" of British business the ambassador argued, and U.K. should have as much freedom to sell them in Japan as Japan had to sell its own specialties, such as cars and consumer durables, in Britain.

## Japan may cutback oil purchases from China

BY PETER DUMINY

TOKYO, March 23.

JAPAN'S PRINCIPAL buyer of Chinese oil, Imperial Petroleum (Kokusai Seikiyu), has concluded its contract for 1976 and will import 4m. tonnes, with an option on another 2m. tonnes.

The lower figure would mean a 25 per cent. drop in Chinese oil supplies to Japan this year—Kokusai's 4m. tonnes, compared with 5.7m. tonnes in 1975, and the China importing council (the smaller Japanese buying consortium) having recently contracted to take 2.1m. tonnes instead of 2.4m. tonnes.

Should the option be exercised in full imports would be about the same as last year's. Official sources in Tokyo express confidence the higher figure will be reached, which probably means every effort will be made to ensure that it is.

The Chinese are believed to be distinctly unhappy that shipments are not maintaining the earlier growth (they more than doubled last year), particularly as Japanese traders once

told them to expect sales of anything up to 100m. tonnes by the early 1980s. This figure was subsequently scaled down to 30m. tonnes as the oil shock subsided, but even that now promises to be well in excess of Japanese demand for the high-paraffin-content Chinese product.

A key personality in past oil negotiations has been Mr. Idemitsu, whose independent refinery, Idemitsu Kasei, is a member of the Kokusai consortium. There may thus be official pressure on Kokusai to live up to the earlier assurances.

Another factor is that steel companies are among Kokusai's shareholders (its president is Nippon Steel's Mr. Yoshihiro Inagawa), and they are among the keenest to import Chinese oil with a view to supplying China with foreign exchange to buy other things from Japan. In 1975 oil produced about \$700m. of China's export earnings of \$1.5bn. from Japan.

## Austria, Poland in co-operation talks

BY PAUL LENDVAY

WARSAW, March 23.

MAJOR COOPERATION projects in the motor, paper and steel industries involving Austrian export credits to the tune of \$1.5bn. (about £330m.) and the broadening of bilateral co-operation, including joint ventures in third markets were the main subjects discussed here by the Austrian Finance Minister Dr. Hannes Androsch and Polish Premier Piotr Jaroszewicz, Deputy Premier and Planning Chief Mr. T. Wyzanski and Foreign Trade Minister J. Oliszwski.

The terms of the export finance provided by Austria and the utilisation of the credit lines, agreed in principle by Austrian Chancellor Bruno Kreisky and Premier Jaroszewicz during the latter's visit to Vienna last September are also on the agenda of negotiations between Dr. Androsch and his Polish opposite number, Finance Minister H. Kisiel.

Further important orders are in the offing for paper-making machinery, construction cranes, radiators and electronic equipment.

Last year Poland became Austria's most important East European trading partner with Austrian exports rising from Sch.4.3bn. to almost Sch.5.6bn. last year. The utilisation of the Austrian credit lines and the broadening of co-operation will also be discussed by Foreign Trade Minister Oliszwski in May in Vienna and by Premier Jaroszewicz who will pay an official visit to Austria next June.

It is understood that Minister Androsch asked Premier Jaroszewicz to raise the matter of Polish power exports to Austria in Prague since the Czech authorities appear to be raising difficulties concerning the projected export of Polish electricity through the Czechoslovak power grids to Austria.

## Nordic computer struggle

By William Duffice

STOCKHOLM, March 23.

THE STRUGGLE between the home computer, L. M. Ericsson and the foreign challenger, Japan's Fujitsu, for the initial order to supply computers and software for a Nordic public data network should be settled next Tuesday (March 30), when the telecommunication director-general of Denmark, Finland, Norway and Sweden meet in Oslo. The first-phase contract would be worth about SKr.160m. (£19m.) but could lead to further orders totalling some SKr.1bn. (£119m.).

Fujitsu, which is offering its D-10 standardised telephone equipment, is under pressure to quote the lower price and shorter delivery time. L. M. Ericsson, which has submitted the equipment used in its new AXE telephone exchanges, has stressed that the contract would enable it to provide 300 new jobs in Finland, 400 in Norway and 400 in Sweden.

A decision should have been taken in February but the Swedish Government had the matter referred to the Nordic Council of Ministers, arousing considerable irritation among the Danes, who favour Fujitsu. According to the Danish Press, L. M. Ericsson has since offered to lower its bid.

Nevertheless, Mr. Poul Hansen, director-general of the Danish Post and Telegraph Board, said recently that the matter was seriously considering placing its own order, thereby breaking up the Nordic co-operation. The Danes had promised potential customers to have a network functioning by 1978.

Ericsson, Fujitsu and the American ITT are asked to submit "complementary offers" by March 16, giving further specification about delivery times, prices and employment opportunities. ITT left its original offer unchanged and is considered to be out of the running, but Fujitsu is understood to have cut its price further and to have proposed work for Nordic sub-contractors.

## BPA bids for Soviet airport

By John Walker

STOCKHOLM, March 23.

BPA, a Swedish construction company owned by the trade unions, has made a Kr.500m. (\$95m.) bid for the contract to build a terminal building, apron and an hotel at Moscow's Sheremetyevo airport. The expanded airport facilities are initially aimed at coping with the large increase in international traffic expected at the Olympic Games to be held in Moscow in 1980. Total expenditure is forecast to amount to Kr.2.8bn. (£330m.).

The new terminal will have a maximum capacity of 2,000 passengers an hour or 6m. a year. The facilities are estimated to be able to handle 10 and 30 conventional aircraft or six jumbo jets an hour. The hotel, which is to be built at the end of the terminal building, will have a capacity of 500 beds.

If BPA obtains the contract, it is estimated that material deliveries from Swedish suppliers will amount to between 10 and 20 million Kr. (\$1.5m. to \$2.5m.) with the balance of Kr.300m. in wages. A decision is expected in the near future, as already the schedule allows little time to iron out running-in problems. If the project is to be ready for the Olympics in 1980.

## ITC hears steel wire protest

THE U.S. International Trade Commission (ITC) has heard protests on a request by U.S. stainless steel wire producers for import quotas. APDI reports from Washington. The wire-makers were not covered by an earlier ITC import investigation which led last January to a tariff panel recommendation favouring import quotas on a wide range of special steels.

U.S. imports of stainless steel wire, used in many industrial applications, totalled about \$48m. last year. The major suppliers abroad include Japan, Sweden, France and West Germany. A spokesman for the domestic steel makers said yet another petition seeking import restrictions would be filed soon at the ITC by stainless steel pipe manufacturers.

**Ford Motor in Japanese talks**  
Ford Motor vice-president Donald Bastian and several executives are now in Japan for a two-week visit to examine the Japanese motor industry. The officials declined to disclose the purpose of the visit but industry sources there explore the possibility of purchasing Japanese car engines and parts for Ford's 1977 model compact cars, Reuters reports from Tokyo.

**Mideast contract**  
Lilley International has won a contract worth £1.75m. for the construction of two new steel piled wharves for the United Arab Emirates Ajman Creek development scheme. Work on the contract is scheduled to begin in July and should be completed in 12 months.

## AMERICAN NEWS

## FTC accuses GM of crash spares monopoly

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, March 23.

THE FEDERAL Trade Commission has accused General Motors, the biggest American car company, of illegally monopolising the market in crash replacement parts for GM cars. Although its action is taken directly against GM, it is understood that the same FTC complaint applies in practice to the other two major manufacturers.

GM has vigorously denied the charges, which are the fruits of an investigation which is now nearly ten years old. Public attention on the issue has been heightened by recent congressional hearings during which it was alleged that the cost of repairing cars damaged in crashes and also, in consequence, of motor insurance, had risen far more rapidly than the rate of inflation, largely because of the distribution system employed by the car industry.

According to the FTC, GM's

policy is only to sell crash replacement parts (bumpers, doors, wings, etc.) to its 12,000 franchise dealers. Independent repair shops (there are about 30,000 of them in the U.S.) may at the last two years, while the far higher cost than that paid by the GM dealer.

The FTC's proposed remedy would compel GM to sell replacement parts to everybody in the same prices, terms and conditions of sale, subject to reasonable cost-justified quantity discounts and stocking allowances.

The total car repair market is estimated to be worth about \$3bn. annually. However, the FTC was only able to say that in 1972 GM's crash part sales were worth \$250m., adding, somewhat lamely, that they were "doubtless" worth much more to-day.

Particular concern has centred by increasing costs to the consumer on the effect on insurance rates.

## B-1 bomber development snags

BY DAVID BELL

WASHINGTON, March 23.

THE NEW B-1 long range super-sonic bomber has developed unexpected ignition and vibration problems and further development of the aircraft should be delayed at least until early next year, the General Accounting Office reported last night.

The GAO, which acts as a Congressional watchdog, said that the Pentagon's decision to put off any decision about the aircraft until at least early next year, when the decision about its full scale development is supposed to be made. For this reason he urged the Defence Department to put off any decision about the aircraft until at least early next year.

Meanwhile, Sen. William Proxmire, who last week released a list of 59 Pentagon officials who had accepted hospitality from the Rockwell Corporation, returned to the attack last night. He issued another list, this time of six high-ranking Pentagon employees who accepted hospitality

from the Northrop Corporation, and once again criticised the Defence Department for not fully investigating such incidents more fully.

He said that four of the men on the list had been on an earlier Northrop list as well and had been questioned about it by the Pentagon. The "clear implication" is that the Pentagon investigators had failed to probe deeply enough, he went on, adding that the Department should consider barring officials who had been entertained by defence contractors from making contract decisions involving such companies. The latest list brings the number of Pentagon officials known to have been entertained by a total of five military contractors.

## THE MEXICAN PRESIDENTIAL ELECTION

## Looking for an opponent

BY ALAN RIDING, MEXICO CITY CORRESPONDENT

A PARTY that has won every election for President, Senator, and Governor since 1929 should hardly be surprised if its candidates go to the polls unopposed. Yet the Institutional Revolutionary Party (PRI) and its candidate for the Mexican presidential elections in July, Sr. Jose Lopez Portillo, have been badly upset by the withdrawal from the contest of the country's only opposition party. Within the context of Mexican politics, they are probably right.

For almost half a century the political and economic elite has legitimised its power through presidential elections every six years, which have prevented the emergence of dictators and promoted the image of a democratic Mexico. Giving credibility to what officials like to call "a two-party system" just like Britain and the U.S., the PRI candidate until this year has always faced a nominal challenger for the presidency. Sr. Lopez Portillo's election in July will therefore lack at least this dimension of legitimacy.

Perhaps more serious, the decision of the tiny conservative National Action Party (PAN) not to put forward a candidate has left Sr. Lopez Portillo without a target for his "revolutionary" rhetoric. Desperately needing to pump some life and enthusiasm into his campaign, he may neither criticise the outgoing administration of President Luis Echeverria, to whom he owes his nomination, nor divert

attention by attacking his "fascist" opponent. All he can do, in fact, is to travel extensively, listen patiently, and promise cautiously. With the verge of an American politician, he took to dressing up in local costumes—one day as a Pancho Villa revolutionary, another as an Indian Chief. Even that failed to enliven his campaign.

Sr. Lopez Portillo must emerge from the shadow of President Echeverria and impose his own political image on the country.

More than his predecessors, however, Sr. Echeverria seems determined to exercise full political power until his last day in office. He also seems to expect Sr. Lopez Portillo to offer the country a continuation of the policies of the Echeverria administration.

As a result, the elections will reflect more closely the popular sentiments towards the outgoing administration than those towards the incoming president. If, as expected, the highest rate of abstention in recent Mexican history is recorded on July 4, Sr. Lopez Portillo will have to take office in a politically weakened position.

The degree to which Sr. Echeverria ties Sr. Lopez Portillo's hands in the coming

months will in fact probably determine the nature of relations between the two men after the handing over on December 2. The tradition is that the new President begins to undermine the reputation of his predecessor as from the moment he takes office. In Sr. Echeverria's case, because of the unpopularity of the then President, Sr. Diaz Ordaz, he was able to do so even before his inauguration. In Sr. Lopez Portillo's case, it seems inevitable.

Both inflation and the payments deficit by holding down current expenditure and limiting imports. Yet there is reason to wonder whether a severe deflation could be carried out during the last year of an administration whose leader is naturally concerned with preserving his political image. Certainly, there are several important prestige projects to be completed this year, while minimum wages went up by an average of 21 per cent. on January 1.

If Sr. Lopez Portillo inherits a seriously deteriorated economic situation, then he will be under pressure not only to take drastic measures—including the first peso devaluation since 1954—but also to blame the Echeverria administration. An economic crisis would hardly make him popular, but it would at least force him to adopt a political position different from that of Sr. Echeverria. Already he has encouraged businessmen with quiet hints that he considers the private sector less of an enemy than does the present administration.

But in the public's eye, he is still very much identified with the President. One of the secrets of the longevity of Mexico's political system, however, is that, while the party goes on, every six years a new President offers the prospect of change. During his campaign, Sr. Lopez Portillo influence economic policy during the coming months. Announced policy is to reduce should begin to fly.

## Sharp fall in public confidence

The Harris Survey has reported that American public confidence in U.S. institutions, including Congress, the executive branch of the Federal Government and corporations, has sunk to its lowest point since Harris began taking polls a decade ago, UPI reports from New York.

The survey said that Congress trailed all institutions with only 2 per cent. of the American people expressing a great deal of confidence in members of Congress. Only 20 per cent. expressed a great deal of confidence in the executive branch of Government and 16 per cent. in major companies. Medicine fared the best with a 42 per cent. endorsement.

## Canadian protest

The Canadian Labour Congress mobilised 15,000 demonstrators to march on Ottawa and parade around the Parliament grounds yesterday in one of the biggest labour protests in years, as the Congress executive met with the cabinet to denounce the Government's restraints programme, writes Victor Mackie from Ottawa. The demonstration was relatively peaceful with two bonfires built on Parliament Hill to enable the protesters to keep warm in the -5 degrees Centigrade weather. Inside the Parliament buildings the C.L.C. President Joe Morris debated the Federal and Anti-inflation programme for one and a half hours with Prime Minister Pierre Trudeau and his Labour and Finance Ministers.

## Orion contract

The Canadian Government is discussing loan financing for Lockheed Aircraft Corp. with two Canadian banks, Defence Minister James Richardson has said. Better reports from Ottawa, Mr. Richardson told reporters that bringing the banks together with Lockheed is one option being studied to save the contract between Canada and Lockheed for Orion patrol planes. This method of assistance would replace any borrowings by the Federal Government. Mr. Richardson said last week that the Government was considering borrowing \$300m. to help finance the deal.



## BANQUE WORMS

Summary of Balance Sheet as at 31st December, 1975 from accounts approved by the Board at their meeting on March 18th, 1976 and to be submitted to the next annual shareholders' meeting to be held on the 13th May, 1976.

Assets	FF. '000	Liabilities	FF. '000
Due from banks, money market, treasury bills and other short term assets .....	3,385,811	Deposits .....	6,609,596
Advances to customers .....	3,436,145	Liability for acceptances .....	241,090
Customers' acceptances .....	241,090	Other liabilities inc. accruals, sundry creditors .....	937,328
Other assets inc. accruals, sundry debtors .....	779,933	Capital .....	171,140
Investments .....	336,867	Reserves and retained surplus .....	116,165
Fixed assets .....	40,129	Net profit for the year after taxation .....	44,496
	8,119,775		8,119,775

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## NEW ISSUE

All of these securities having been sold, this announcement appears as a matter of record only.

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## HOME NEWS

## Docks Board chairman says Felixstowe at risk

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE BRITISH Transport Docks Board yesterday stepped into the political battle developing over the future of Felixstowe Docks with a warning to Parliament that the port could be "at great risk" if its new owners, European Ferries, are allowed to retain control.

The warning came from Sir Humphrey Brown, the Board's chairman, whose eye was clearly on today's House of Commons debate on the private Bill concerning the State-owned Board's takeover of Felixstowe.

Sir Humphrey emphasised the Board's determination to secure the passage of the Bill, which would transfer ownership of Felixstowe away from European Ferries, whose takeover had been accepted by more than 80 per cent of the docks' shareholders.

The outcome of today's debate is difficult to predict, because although the main parties are likely to be opposed to each other, the private enterprise party will not be in force.

Mr. Keith Wickham, chairman of European Ferries, took a pessimistic view yesterday, saying his first tour of Felixstowe since his company's takeover victory.

**Vital stages**

"I am almost certain we shall not win tomorrow night when the Bill has its second reading."

Barclays to lend CAMRA £195,000

By Kenneth Gooding

Barclays Bank is to lend up to £195,000 to CAMRA (Campaign for Real Ale), a London-based but nationwide company which is a spin-off from the Campaign for Real Ale and which set out to sell traditional draught beers through its own pubs.

Giving this news, the investment company's annual report this week, Mr. Nicholas Williams, MP for Margate, said that the £195,000 loan, non-executive chairman, holds just one share out of the 190,000 issued at £1 each in October, 1974.

He said last night that the first meeting of the company's operations had been so hectic he had not given the matter of acquiring more shares any thought.

"Although I will pay more shares I will never become a shareholder because I would prevent me from doing my job as an MP in further and promote the aims of CAMRA and of the investment company. If I had a large stake, it could be said I had a vested interest."

In the 47 weeks to January 31, investments had a net loss of £23,571 as the company set about acquiring five pubs and renovating them.

**Renovation**

So far, £145,500 has been spent on purchasing four freeholds (the fifth pub is on a 30-year lease) and another £110,792 on renovations. It is anticipated that another £145,750 will be required to complete the programme.

Barclays loan, repayable over five years from next June, is earmarked for this renovation scheme. All five pubs should be fully operational by July.

He adds that for the remainder of 1976, the company's priority must be "to ensure the full implementation of our redevelopment programme for the five pubs we have acquired."

"As the task grows, we shall pursue the possibility of further acquisitions. We are still on the look-out for suitable houses, particularly in Birmingham, Brighton, and Norwich and other sites which are short of traditional draught beer or where monopoly conditions exist."

**Conspiracy should be statutory offence—Law Commission**

BY A. H. HERMANN

DEALING WITH one of the most controversial issues of criminal law reform, the Law Commission yesterday recommended the use of a new offence of conspiracy should be used in the future to fill gaps in the criminal law.

Any such offences ought to be filled by specific legislation, it states. Conspiracy is a common law offence if the object of the agreement is itself a criminal offence. The Commission recommends in a report published yesterday.

But before such a major step is implemented, states the commission, it will be necessary to fill in the gaps in five areas of criminal law.

In two of these areas—stalking and film performance and live shows offending morals and decency—the commission recommends the introduction of new statutory offences. In the third, concerning conspiracy to effect a public mischief and to commit a "wrong," the commission has no need for the creation of new offences.

This leaves two more areas of criminal law for later, more detailed consideration: conspiracy to defraud and offences against the administration of justice.

Administration of justice is sufficiently protected by other provisions. As far as conspiracy to defraud is concerned, the commission recommends the use of this common law offence pending its report leading to a "fraud" Bill. This will take considerable time to prepare.

**Easier to grasp**

The 213-page report deals in great depth with the problems of criminal law reform before reaching the conclusion that the offence of conspiracy ought to be defined as one requiring, in addition to agreement between the conspirators, also their full intention and knowledge of what they are about.

Though the present law makes it possible to prosecute those who plan and organise crime without executing it themselves, the commission considers that a statutory offence of conspiracy will make it easier for juries to grasp the criminality of "mere" planning of criminal acts.

As at present, there should be no possibility of a criminal conspiracy between husband and wife, or with a child, though it should remain a criminal offence to use a child as an instrument of crime—both these recommendations are pertinent to

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## Government decision soon on helping Laing Offshore

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT will decide platform order at some later date.

It is felt in the Government that one or two oil production platforms might be ordered later this year. If the contract involved steel construction it would almost certainly go to Laing, which is in the most serious position among Britain's platform-building industry.

However, there is a wider concern for other yards which are also running short of work.

Although Mr. Smith has not yet reported on his recent series of meetings with major oil companies, potential platform-builders, it is understood that he was told there was little possibility of contracts being accelerated to help Laing.

**Deferring**

Many companies are deferring platform-ordering decisions while they view alternative production methods, such as tension-legged structures linked to sea-bed units.

Laing is due to complete its last contract, a platform for Burmah Oil's Thistle Field, at the end of July. The company has also warned that the jobs of 500 workers are dependent on winning a gas production platform order by the end of April.

KCA Drilling has started to drill for Mobil North Sea on the Beryl Alpha Condeep platform in the Beryl Field.

**Munich freight link open**

BY OUR SHIPPING CORRESPONDENT

A NEW door-to-door inter-North Sea crossing to Scheveningen airport service is being inaugurated by a Rotterdam to Munich freight link.

Norfolk Line claims that the service offers a door-to-door transport between Britain and the Benelux or Rhine-Ruhr areas of left from the Midlands, the north 24 hours and less than 72 hours of England and Scotland for a to Bavaria and Austria.

## ROYAL COMMISSION ON THE PRESS

## Charter must safeguard three basic rights, say Liberals

BY MICHAEL THOMPSON-NOEL

THE TIME had come to abandon misguiding discussion about who was to draw up the proposed voluntary Press Charter and get down to deciding what the Charter ought to contain, the Royal Commission on the Press was told in London yesterday.

The Liberal Party, giving evidence to the Commission, said that under the Government's Trade Union and Labour Relations (Amendment) Bill, no Minister would have the power to impose a Press Charter but would have to submit one to both Houses of Parliament if the newspaper industry itself failed to formulate a Charter voluntarily.

The essential job now, said Lord Wigoder, deputy Liberal Whip in the House of Lords, was to discuss what the Charter should contain.

Mr. Vere Harmsworth, chairman of Associated Newspapers Group, later told the Commission that he hoped common sense and public spirit would combine to produce a workable Charter, but that he would have preferred one that was enforceable at law.

Lord Wigoder said that the Charter should safeguard three basic rights: the right of access to newspapers by outside contributors, whether they belonged to the union or not; the right of editors to protect against all forms of improper pressure; and the right of journalists either to join a union of their choice or not to join a union at all.

In the context of a journalists' closed shop, Lord Wigoder said there was no reason to be suspicious of the National Union of Journalists as a whole, despite the behaviour of individual branches or members.

Mr. Lamb, former editor and joint proprietor of the City Press, told the Commission that the Pearson Longman Group had a monopoly of specialist financial journalism through its ownership of the Financial Times and its stake in the Investors Chronicle and the Economist.

He said the group had not abused its position and that he admired the Financial Times management but that the Financial Times and Investors Chronicle ran an "almost indecent number of advertising supplements" which mopped up firms' financial advertising budgets.

Turning to what he said was another problem, Mr. Lamb said that in general, some editorial staffs were strongly pressed to mention advertisers' names, and would have to submit one to both Houses of Parliament if the newspaper industry itself failed to formulate a Charter voluntarily.

Mr. Harmsworth was asked by the Commission's chairman, Prof. Oliver McGreor, what he thought of a TUC suggestion—during evidence to the Commission—that the London Evening News was being deliberately run to incur losses which would provide an excuse for closing it down.

Mr. Harmsworth said: "If it has been said we are manufacturing losses to close something down, it is not true, nor to me quite sensible. To close the Evening News would involve redundancy payments of about £10m. and I fail to see why we should try to incur losses in order to incur liabilities of £10m."

Mr. Harmsworth said that five clauses would be essential in any Press Charter. The editor should accept sole responsibility for the contents of his publication. The editor should have the right to commission, and to publish or not to publish, any article or material he wished. The editor should be free from all interference and pressure in exercising his right, which was essential to Press freedom.

The editor, or others exercising the duties of an editor in his absence, should be free to discharge these duties without the obligation to join a trade union. A journalist should be free to join a properly recognised union of his choice.

—A journalist should not be excluded nor expelled from membership of a union because of anything he had written or published. The group's editorial director, Mr. Howard French, stressed that journalism was not an industrial process that was suited to a closed shop but a creative process. It was desirable that the present alternative to the NUJ, the Institute of Journalists, should not be destroyed. The Press Charter, he said, should be formulated so as to outlaw any particular brand of union leadership.

Financial advertising was a free-for-all, he said, which needed controlling in the public interest.

During Associated Newspapers' evidence to the Royal Commission, which is hearing oral evidence all week, Mr. Harmsworth said that the prospect of a journalists' closed shop raised the "whole principle of liberty and freedom of the Press."

He said that in Soviet Russia, newspaper censorship was imposed through membership of trade unions.

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## The Paris Air Bridge

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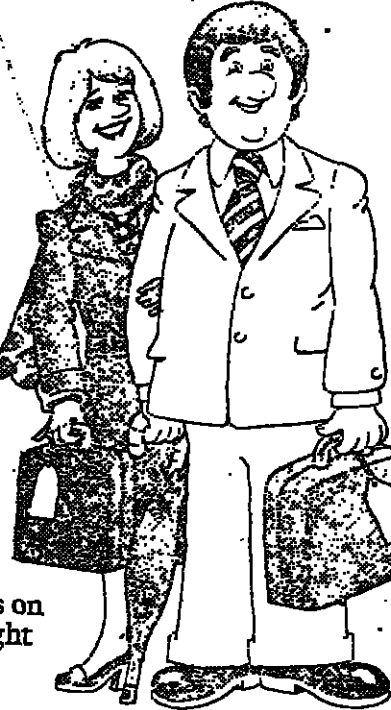
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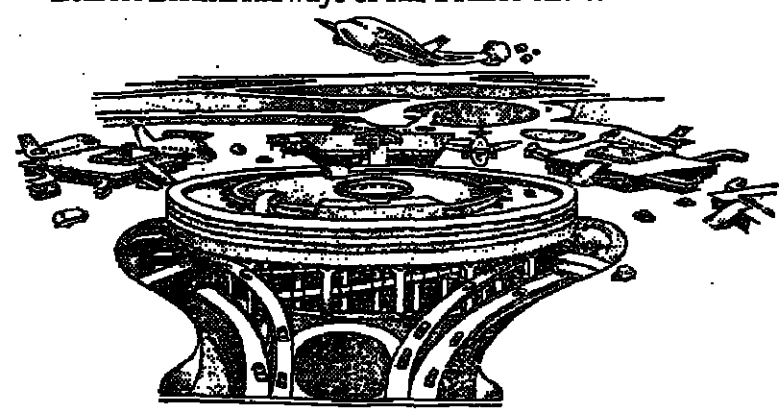
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HOME NEWS

## Du Pont predicts 2.5% growth in fibre demand

BY RHYS DAVID, TEXTILES CORRESPONDENT

A 2.5 per cent. rate of growth in Western Europe's consumption of all fibres—with synthetics growing at 7 per cent.—is forecast for 1978-80 by Du Pont, the world's biggest fibre producer.

The company warns, however, that for viable synthetic fibre manufacturing operations to be maintained in Europe, prices will have to be increased and further efforts made to regulate the development of international textile trading.

The Du Pont forecast comes in the wake of reports by most big fibre manufacturers in Europe of heavy losses in their fibre operations in 1975, as a result of depressed trading conditions in Western European countries and increased penetration of the market by imports.

### Turnover

Du Pont itself, which was running its European plants at less than 50 per cent. capacity early in 1975, ended the year with shipments up 11 per cent. over 1974 at 175,000 tonnes, after returning to higher levels of production—around 75 per cent. capacity—in the final quarter.

Prices were under pressure throughout the year, however,

with the result that turnover was only equal to 1974.

The effect of price erosion, coupled with the high cost of operating capital intensive fibre plants well below their productive capacity, was to make losses in Europe inevitable, the company states.

On fibre sales throughout the world—at \$2.5bn, more than one third of total Du Pont sales—the company made a profit of only \$6m.

### Stocks

Mr. Hayden Pickering—Du Pont International's managing director, fibres—claims in a year-end review that there are now signs that the textile industry is beginning to rebuild stocks, offering prospects for a substantial recovery in man-made fibre shipments in 1978.

He warns, however, that the improvement is still far short of what is required to restore profitability to the level needed to sustain future growth.

Significant modification of the Multi-Fibre Agreement, which now governs much of world textile trading, would be needed to ensure that development of the industry throughout the world continued on an orderly path.

Mr. Pickering was echoing a similar call last week by Mr. Leonard Regan, chairman of Carrington Virella, for changes in the agreement. He stressed that Eastern Europe and China would have to be brought within the scope of agreements.

### Disruption

Mr. Regan pointed out in his remarks that the growth rate allowed to exporting countries under the MFA—8 per cent. a year—could be tolerated under normal circumstances, but could still cause severe disruption at a time of recession. There should instead be a mechanism within the MFA for relating the flow of imports to prevailing market conditions in the importing countries.

Mr. Regan called for a new long-term import policy to be drawn up within the EEC which would place a global limit on the quantity of textile and clothing goods arriving from all developing countries. He also suggested that controls should run for five years instead of three because of the time-scale required for new investment to be planned, and that quotas should be based not on the immediate past but on a longer and more representative period.

## Concorde pilots to train on simulator

By Michael Donne, Aerospace Correspondent

THE BRITISH AIRCRAFT Corporation is to start training British Airways pilots next week on the £3m. Concorde flight simulator which has been built at the BAC factory at Filton, Bristol.

The ground-based simulator is supplied by a consortium of Rediff, Flight Simulation and the Link-Miles Division of the Singer Company (U.K.), with finance provided by Brands, the City merchant bank.

The simulator, approved by the Civil Aviation Authority, consists of a complete replica of the Concorde flight deck with associated electronics and a moving map display, enabling pilots and flight engineers to be taught on the ground how to fly the Concorde.

### Agreement

BAC will sell time on the simulator to British Airways and other airlines, undertaking all the necessary training to turn out complete Concorde crews.

All British Airways Concorde crews will be trained under the agreement to the end of 1977. They total 120, made up of 80 pilots and 40 flight engineers. Training by the simulator costs about one-tenth of actually flying crews in a Concorde; about £500 an hour against £5,000 an hour.

The crews will be trained much more intensively because handling of various emergencies can be taught on the simulator more easily than in flight, avoiding hazards to lives or equipment.

The simulator moves into service at a time when British Airways is about to expand its route network, with flights to Washington due to start on May 24.

The airline expects to have enough pilots to meet its foreseeable needs for the five Concorde it is buying. It has taken delivery of two and is due to get its third in June, its fourth later this year and the fifth early in 1977.

## Country bus fares to rise

FARES on London country buses and Green Line coaches will be increased 1p-5p from April 3, it was announced yesterday. Continually rising costs have left us no alternative, said Mr. John Talbot, London Country's operating manager.

### Boost for shoes

A SPECIAL shoe week is being held in Norwich in May to boost orders and save the jobs of 6,000 people working in the industry, one of the city's biggest employers. Several factories have announced redundancies and one is having to close this summer because of a flood of cheap imports.

## Scottish Assembly must have power, says MP

BY CHRIS SAUR, SCOTTISH CORRESPONDENT

LABOUR's new Prime Minister and Cabinet, when they are chosen, were warned in advance yesterday that Scottish voters would not be satisfied with "an economically gutless" Scottish Assembly.

The "fraternal advice" was given by Mr. James Sillars, Labour MP for South Ayrshire, who leads the breakaway Scottish Labour Party. He said that the new Scottish Parliament must be given the means for exercising "the maximum possible independent judgment and action in matters affecting the Scottish economy." This was the driving force behind the demand for home rule, he said.

Speaking at Irvine, Mr. Sillars launched his attack in the expectation that Labour's annual Scottish conference this week-end would endorse proposals from its executive and from the Scottish groups of Labour MPs for increasing the industrial and fiscal autonomy of the Assembly. He said that under these proposals, the assembly would have full control only of the Scottish Development Agency. It would be grossly under-equipped to tackle the difficulties facing Scotland in the next decade.

### 'No fiefdom'

He urged the incoming Prime Minister to ignore the advice he would get from Labour colleagues that the modest additional transfer of powers proposed for the assembly would be sufficient to see Labour past the

next general election. "The new Prime Minister should understand that he is dealing with a nation, and not a political fiefdom to be manipulated in order to extract a 'tribute' of seats to maintain a parliamentary majority in the U.K."

Defining the kind of "home rule" that Scotland needed, Mr. Sillars said: "there is no hope of Scottish recovery if we are afraid to demand from Westminster the right to economic self-management." With previously prosperous regions, like the Midlands now facing serious long-term difficulties, Scotland could no longer rely on traditional regional policy. There had to be regeneration of indigenous industry.

He then described SLP policies which will strike many as being remarkably close to those advocated by the Scottish Nationalists. The minimum requirements for a Scottish assembly were that it should control all energy resources including oil; most U.K. and EEC regional funds; ports, airports, steel, shipbuilding, internal transport, agriculture and fishing, as well as training and manpower policies. The assembly should also have a revenue raising capability, a share of North Sea oil revenues and a say in future policy agreements between oil companies and the U.K. Government, affecting depletion and the rate of development offshore.

If the incoming Prime Minister opted for anything less, said Mr. Sillars, he would be choosing

short-term, short-sighted policies in which the Scottish assembly would have no higher than a pawn in the Westminster political game.

## Burroughs lifts computer prices

By Roy Lewis

BURROUGHS' MACHINES has raised its prices for the second time in six months. The company announced in London last night, range from 4.4 per cent on products made in the U.K. to 14 per cent on some imported machines. They will take effect immediately.

The last increase was in October, 1976. The average rise of 8.6 per cent for mainframe computers and configured terminals follows the average rise of 8 per cent last October in this category. Price rises for the rest of the company's product range depend upon country of manufacture.

Its eight U.K. plants produce the Burroughs 18000 minicomputer, cash dispensers and a many people, but he felt range of peripheral computer equipment including terminals and encoders.

## Castle sets April deadline for doctors' contracts

BY DONALD MACLEAN

LOCAL HEALTH authorities vidual contracts depend have been asked to put the agreement between the recently revised contract for and his employing authority junior hospital doctors into operation. "Authorities who have a action by the end of April, Mrs. Castle said, do not have a Barbara Castle, Social Services asked to do so with a mid Secretary, said in the House of Commons yesterday. The terms of the new co Instructions to the local, em- were agreed earlier this playing authorities were agreed following industrial action with doctors' representatives. Junior doctors (those below March 9 and issued on March 11, sabbat rank) over the qu but the completion of indi- of over-time pay.

## Hull The M62 connection

This spring sees the completion of the final eastern sections of the M62, firmly connecting the city an seaport of Hull with the national motorway network and reinforcing Hull's role as a key communications centre of Western Europe.

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## Pre-work courses plan for school-leavers

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

EXPERIMENTS with special courses to prepare young school-leavers for the working world are likely to start this autumn, according to Mr. Fred Mulley, Secretary for Education and Science.

There was an urgent need to provide some form of education after school for 16- to 19-year-olds who would not go on to further or higher academic education, he told a London conference.

"The essential feature of these courses must be relevance. Relevance to all the demands and opportunities of the adult world which the young worker is entering, and relevance, above all, to his working situation."

policy of leaving it to employers to provide training on the job must inevitably condemn many youngsters to a lifetime of dead-end work where much of their potential ability would remain unrecognised. From Mr. Mulley's words, the courses to be tested seem similar to the "gateway" courses for the youngsters recently proposed by the Training Services Agency. If so, their widespread introduction would considerably strengthen the TSA's influence in education. This would be against the wishes of many teachers whom in view of proposed cuts in education spending and increases in public funds for training have warned against a "take-over" by the TSA, which is linked with the Department of Employment.

## Temporary closure for Brock's

TWENTY WORKERS at Brock's factory, Swaffham, Norfolk, are to be dismissed in May and the factory is to be closed temporarily because of lack of orders. A spokesman said yesterday that the works would close for six to nine months. An investigation was to be made into the youngsters recently proposed by

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### WHO AND WHAT WE ARE.

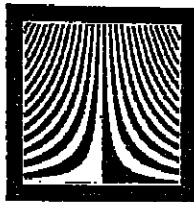
We are the principal manufacturer of telecommunications equipment in Canada and the second largest in North America. Sales in 1975 exceeded one billion dollars. In 33 factories — 24 in Canada, six in the U.S. and one each in Turkey, Ireland and Malaysia — we manufacture one of the broadest lines of telecommunications equipment in the industry. Our products are conceived and designed in Canada's largest industrial research organization, Bell-Northern Research. From these labs has come personal and business telephone equipment that has established design and performance standards for the world: electronic private automatic branch exchanges that have made us the largest single EPABX supplier to the North American telephone industry, outside the U.S. Bell System, and the SP-1 electronic central office switching exchange that, in the four years since its introduction in North America, has outsold all competitive systems. To date more than 1.2 million lines of SP-1 have been sold.



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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## COMMUNICATIONS

### Talking computers answer questions

LOW-COST telephone access to a computer anywhere in the world, with the difference that the computer will reply to questions in a human voice, is the idea behind Muirhead's launch of the Voicepac 2000 voice response system.

Under an agreement with Peripherals Corporation of America, Muirhead is to market the data capture medium in Europe where it is scarcely known. The equipment is "taught" to speak by pre-recordings of customer-selected vocabulary of up to 1,500 words on a magnetic disc. Words, phrases or long sentences are stored in a way which enables new expressions to be formed from words already in store.

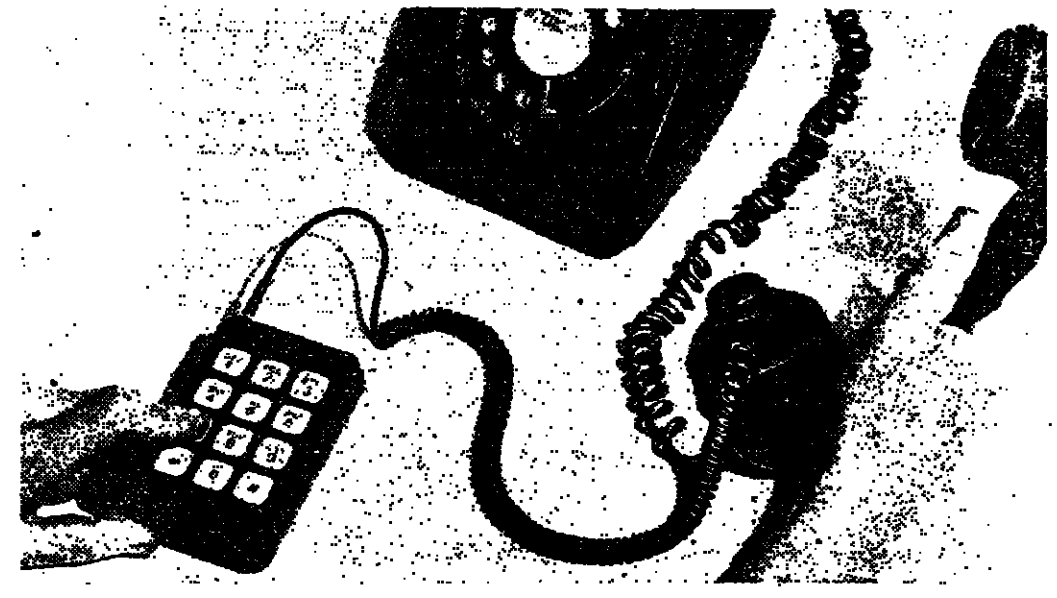
Access to the system is by way of a tiny, inexpensive keyboard terminal like a pocket calculator, acoustically coupled to a phone.

Applications are seen in credit authorisation, stock inquiry, airport control and cargo location. The unit could be used by travelling salesmen and insurance representatives to give illustrations and verify quotations in the home and shop, as well as many other applications.

In the U.S. Peripherals has sold 180 systems of which 140 are linked to IBM machines. Banking and industrial sectors are the biggest customers.

Bank of America is using Voicepac for checking on stolen credit cards. Another company, involved in packaging and freighting, is able to provide an instant location service through the system.

The voice response of the "2000" is part of a complete



front end processing system based on a PDP-11 series mini (anything from the 11/05 upwards) with cartridge disc data storage, and an audio disc which can hold up to 2,000 pre-recorded responses to user inquiries. This section of the installation would cost from £30,000 to £50,000.

#### Price

But the real advantage over the alternative teletype-based operation is in the price of terminals—each printer link-in would cost about £1,000 against Muirhead's £35 unit.

As can be seen from the illustration, the personal terminal is extremely simple and compact. There is a penalty to pay through encoding, though this is no real

problem provided the system is designed to fit the needs of the communicators, 95 of whom can use the equipment simultaneously without overload.

Most important, the equipment has been approved for connection to Post Office circuits.

It can be used to tap virtually any kind of data bank, to give men on the move instant information essential to their jobs, and without involving central office staff.

Because the touchtone is not in common use yet, Voicepac users in the U.K. need a simple hand-held unit which has a rubber cup attachment to the phone. The voice response is heard on the telephone earpiece. Muirhead has already received

enquiries about the Voicepac. Interested companies are involved in electrical components, confectionery, detergents, and credit cards.

Synthetic voice response equipment is not new. But the simplicity and ease of use of the Muirhead terminal, together with the flexibility and low cost of the central equipment, should take Muirhead into a major market in which it will be competing with IBM, among others.

The next barrier to come down will be that of the low-cost one-minute 24 facsimile transmitter. A project which should bring facsimile on to every executive desk top.

Muirhead, Beckenham, Kent. (01-650 4888).

## RESEARCH

### Fibre-optic study

EUROPEAN Space Agency has awarded a study contract to Cambridge Consultants to conduct a survey of the present technology in fibre optic communication and to produce designs for a spacecraft multi-media transmission system.

Fibre-optics are especially attractive for use in spacecraft owing to their high reliability, immunity to electrical interference, low weight and high data carrying capacity. In a recent U.S. aircraft data transmission system for example, 13 fibre-optic cables replaced some 300 copper bearers.

Components for the system will be selected for reliability (10-year missions are envisaged) and compatibility with existing equipment.

The company is also looking at such a system for marine use. More from Bar Hill, Cambridge CB3 5EZ (0854 50461).

### Tiny cooler works off the mains

COOLING OF infra-red devices by means of cryogenic liquids (such as liquid hydrogen) sometimes gives difficulties. For example, the cryogen is not always available and the handling of such liquids is inconvenient.

To meet these objections an engineer of the Philips Research Laboratories in Eindhoven has designed a portable miniature Stirling cryogenerator.

The cryogenerator is driven by an electrodynamic vibrator, essentially a loudspeaker magnet

and coil. This vibrator is connected directly to the piston of the cryogenerator. The free displacer piston is given the required motion by coupling it pneumatically to the directly driven piston. By suitable choice of the pressure of the working medium, the system can be tuned to resonance at the mains frequency. In the model which has been built, the pressure is about 15 atmospheres.

The machine operates silently and can be made vibration-free by means of an auxiliary mass attached to the machine by a spring; this balances out the inertial forces of the vibrator. The moving parts require no lubrication and the machine requires no maintenance. The cooling capacity is 0.5 watt at 80 deg. absolute. The prototype weighs about 3 kg on POB 523, Eindhoven, The Netherlands.

## HANDLING

### Fold away platform weigher

CANTILEVERED weighing platforms for loads from 10 to over 1,000 kg have been introduced by Darenth Weighing Equipment, Gray Avenue, Weymouth, Kent BR5 3RJ (Orpington 33821). The weigh platform can be folded away making the machines suitable for use where space is limited. A roller platform can be lifted for use in a conveyor line.

Platform sizes vary between 457 x 457 mm and 1.5 x 1.5 metres. Load pressure is mechanically transferred from the platform to the pneumatic transducer. This operates by holding the platform in equilibrium, the additional air pres-

sure required to balance the load providing the read-out which can be on a dial or electronic for data logging.

### Centrifugal pumps

TWO CENTRIFUGAL pumps have been added to the UR range marketed by Girdlestone Pumps, Melton, Woodbridge, Suffolk IP12 1ER (03945 4777).

Maximum output is 3,500 g.p.m. Special backplates enable almost any make or type of shaft seal arrangement to be fitted to a standard pump without modification to the main components. Impeller and flow inducer design enables an output of 675 g.p.m. to be achieved from a 2-foot head. Standard pumps can be converted to self-priming and certain sizes are available with semi-open and fully open impellers.

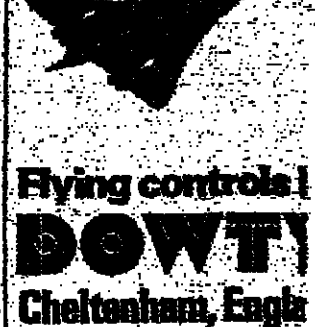
Construction can be of cast iron, bronze, a range of carbon and stainless steels, SG iron, and alloys such as Hastelloy and Inconel.

## PRODUCTS

### Cuts grass, scrub and hedges

STATED TO be capable of cutting grass, scrub and light or medium hedges with equal facility, the Hydrocut Horset incorporates a carbon steel rotor, a knife and chisel flail comb.

The maker says it produces a reasonably clean cut when used for hedges, rather than the unsightly shattering left by the heavy hammer type of flail. The cutter was designed by



**DOWTY**  
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Cheltenham, Eng

## PLASTICS

### Water tank for the tropics

A NEW RANGE of Hyd modular storage tanks has been developed for use in the tropics. They are made by BTR, forced Plastics of Uxbridge, assembled from moulded panels.

Principal modifications concern the sealants, which are suitable for use anywhere in the world, and the formulae of the grout material. Additions have been made to the tanks to increase the resistance to ultra-violet light, so the tank may be used outside where ultra-violet degrades have presented a problem.

The heat resistance properties of the material has been upgraded and the tanks will withstand temperatures of 80 deg. C.

The company (01-634) has an order for two 5 gallon tanks for domestic supply systems in Dubai.

Reject material is reduced output can be raised by 1.5 per cent, both in continuous and semi-continuous operation. Where very large copper rods are being cast the oxide of extreme importance.

Quality control unit of the infra-red scanning to a short-circuits in the cast tank house has been an improvement in quality due to the temperature control of the steady cell conditions and precise deposition.

Primary objective was to make the checking procedure to ensure electrolysis efficiency, particularly in tank now power is so expensive. Savings of around 440 hours per 1,000 tonnes have been achieved over three years, plus a great deal of initial assistance to the innovation.

TRIPS—Infrared industrial process supervision—is the scanning system design in conjunction with AGS Sweden specifically for thermal mapping of the contents in the tank house.

It damaged the development of tough equipment and reliable procedures and is one of the rare examples of an advanced technique for its way very rapidly into large scale industrial production.

Further information from Olen plant from M. Get Leclercq, Technical Service Metallurgie, Hoboken-Over 82710 Hoboken, Belgium.

and is "customised" by including variable items in the text. One new departure not in well established word processing machines is the ability to perform arithmetic operations on numbers in the text. This can be used to calculate discounts, etc., and thereby orders and invoices automatically. The format of these documents is entirely specified in the text library.

A 96-character print set both upper and lower case letters, the printed documents are more acceptable to recipients than output which solely in upper case. The system can be operated by any secretor typist.

CAP is on 01-243 0021.

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## PROCESSING

### Laser cuts panels

BORON EPOXY aircraft rudder skin panels are being cut by computer-guided laser beam. Installed at a cost of \$750,000 by McDonnell Douglas Corporation, at St. Louis, Missouri, U.S., the unit will start on April 1—work cutting equipment takes only four minutes per sheet compared with the eight hours required for manual cutting of such precision panels.

Boron epoxy is a high strength composite used on the F-15 Eagle air superiority fighter.

Full production of F-15 composite rudders using the laser unit will start on April 1—work cutting equipment takes only four minutes per sheet compared with the eight hours required for manual cutting of such precision panels.

F-15 combat fighter. Use of composites including graphite epoxy reduces the weight of aircraft parts by up to 25 per cent.

The laser, which has an output of 500 W and is of the carbon dioxide continuous type, has a cutting speed from 10 to 200 inches/sec. The composite material is 0.005 inch thick, and the kerf is 0.03 inch (width of cut).

The equipment was supplied by the Hughes Tool Company. In California. McDonnell (04982 71311).

Douglas is using composite materials to produce experimental parts for testing in the DC-10 jetliner programme. Such parts include an upper aft rudder for the wide-cabin DC-10.

This rudder, with a span of more than 15 feet and an area of 34 square feet, is among the largest aircraft elements made from composites.

The Corporation has a U.K. office at 66/68 Goldsworth Road, Woking, Surrey GU21 1LQ (04982 71311).

## METALWORKING

### Improving copper rod production

LATER this year, a first standard production plant embodying the Coniford method of continuously producing copper wire rod directly from a continuous casting installation will go into production at Olen in North Belgium.

Of great significance at a time when cross industry has hit every industrialised country is that the new plant will cost no more than the pilot/producer unit which started up three years ago.

This is undoubtedly a major achievement for the designers, who have succeeded in packing a very complex production line into about 25-30 per cent less space than the pilot line while raising production of 31 and 5-tonne coils from 100,000 to 140,000 tonnes a year.

This achievement has not been reached overnight since the primary decision to attempt continuous casting, followed by rolling, without any cool-down, was taken in 1970 when it was also decided to site the facility next to the huge electrolytic cathode plant at Olen.

Key to the process was the successful application of a Hazeltel twin-belt casting machine whose small angle of inclination from the horizontal

meant that very little had to be done to the emerging bar before feeding it to the rolling mill train. Thus there is virtually an ideal metallic structure in the bar to be drawn, at the outset.

Casting speed at the start is about 36 feet/min, but at the pickling stage, the wire rod is moving at 4,200 feet/min.

#### No breakdowns

Control of the train of rolls and motors is obviously one of the most important sectors of expertise in the design of the plant and it is interesting to record that not a single motor breakdown has been experienced in 31 years operation.

Of course there are shear points to permit the bar or rod to be diverted should a breakdown occur.

There is little doubt that the future lies with plant like this, since producers of cabling and wire for the electrical and electronics industries are pressing for larger and larger coils. But production of rod from wirebars cannot yield coils of more than about 150 kilos without joints.

Pressure for higher and higher purity of the copper to some extent outweighs energy con-

servation considerations, though the introduction of oxy-burners has permitted the company to raise output of its primary purification furnaces from 270,000 to 390,000 tonnes, avoiding the need for a sixth furnace and reducing the cycle time from 26 to 18 hours.

Increasing pressure for higher purity materials is coming from the wire drawers who are working at higher and higher speeds and supplying the extremely demanding electronics industry.

Which must know to less than 1 ppm what impurities it can expect to find.

This is why the company is making extensive use of the Oxy-cell continuous measuring instruments for oxygen in molten copper developed in collaboration with Professor D. Richardson of Imperial College, London and with the support of RSF International Metals.

This instrument gives far better control over cast quality than any existing system, the fastest of which takes about 10 minutes.

Regulation of oxygen content can take place immediately, either automatically or by manual intervention, and the quality of the cast material is thus maintained to much closer tolerances.

## COMPONENTS

### Gets signal from shaft on the move

A non-contact system able to extract torsional strain measurements from a rotating shaft without contact is offered by Accutec Corporation of California and supplied in the U.K. by Technitron, Doman Road, Camberley, Surrey GU24 0LW.

A collar, which can be supplied to suit any diameter of shaft, contains transmission electronics and is clamped in position for connection to a four-core strain gauge. The bridge voltage, varying according to torsional strains in the shaft, is used to pulse-width modulate a constant amplitude 5 kHz square wave and this signal in turn frequency modulates a 10.7 MHz radio carrier which emits a signal from a loop inside the collar.

A fixed loop around the shaft (but not in contact) serves the dual purpose of picking up the signals and also of feeding power to the rotating electronics by means of induction at 160 kHz. Digital or analogue displays can be provided, and the company can supply systems to extract other kinds of signals such as temperature, vibration, acceleration. The rotating components can withstand hostile environments.

Included in the range are a one tonne tipper truck, two tonne diesel, petrol and gas trucks with extended chassis, and 2.5 tonne capacity petrol and gas powered tugs. Except for the five tonne tugs, all the vehicles have three wheels, with front single wheel drive.

An automatic clutch is fitted on the vehicles with internal combustion engines, to simplify driving, and on several models the lower chain drive has been replaced with an enclosed gearbox.

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Accurate compact load cell

HIGH PRECISION strain gauge load cells have been developed by Rotlinger Baldwin Messtechnik, Darmstadt, W. Germany.

Designated Type 28, the cells are 120 mm long x 42 mm dia. for loads up to 200 kg, and 210 x 60 mm for up to 1,000 kg, and use the double bending beam principle. Linearity deviation, including hysteresis, is better than 0.02 per cent of rated load. It is claimed, and the cell will withstand side loads of up to 120 per cent of rated load. The unit is temperature compensated from -10 to +70 deg. C.

Hermetically sealed by a metal bellows, the transducer is made of stainless steel, which the maker says enables it to be used in bio-medical, food, chemical and process applications, and in severe environmental conditions. Because of its compact size, a

typical application is as the sensor in a low-profile platform scales.

The units are marketed by Carl Schenck (UK), Stonefield Way, Ruislip, Middx., HA4 6JT (01-841 5121).

## TRANSPORT

### Warehouse trucks

A SERIES of diesel, petrol, gas and electric trucks and "bogs" has been launched by Wright Union Trucks, Ormside Road, Wantage, Oxon., OX12 8EJ (02357 65657).

Most important of the range is a four-wheeled tug with a towing capacity of five tonnes, driven by an 8 bhp petrol or diesel engine. The LPG engines on the other vehicles are new to this company's range, as an optional power unit.

An automatic clutch is fitted on the vehicles with internal combustion engines, to simplify driving, and on several models the lower chain drive has been replaced with an enclosed gearbox.

Included in the range are a one tonne tipper truck, two tonne diesel, petrol and gas trucks with extended chassis, and 2.5 tonne capacity petrol and gas powered tugs. Except for the five tonne tugs, all the vehicles have three wheels, with front single wheel drive.

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SANDIA LABORATORIES has received \$5m. from the Energy Research and Development Administration to begin construction of a 5MW solar thermal test facility. Total cost is projected at about \$21m. It will be used to test components for future solar power plants.

A boiler will be mounted on a 200-foot tower surrounded by a field of more than 300 large tracking-mirrors or heliostats which will reflect the sun's rays on to the boiler, producing about 5MW of thermal energy—the equivalent of about 1.5MW of electrical energy.

Martin Marietta Corporation, Denver Division, will construct 75 heliostat modules, each consisting of a four-by-four-foot square mirror. The modules are expected to provide the facility

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John Smith



# PRACTISE WHAT YOU PREACH.

You are, no doubt, asking your company staff to cut out waste. And, at the same time, asking yourself how you can contribute.

In which case, may we suggest you look at your company car? If it's at all typical, it probably gives you little more than 15 miles to a gallon. And you might decide that you'd set a better example if you arrived at work in an Audi 100.

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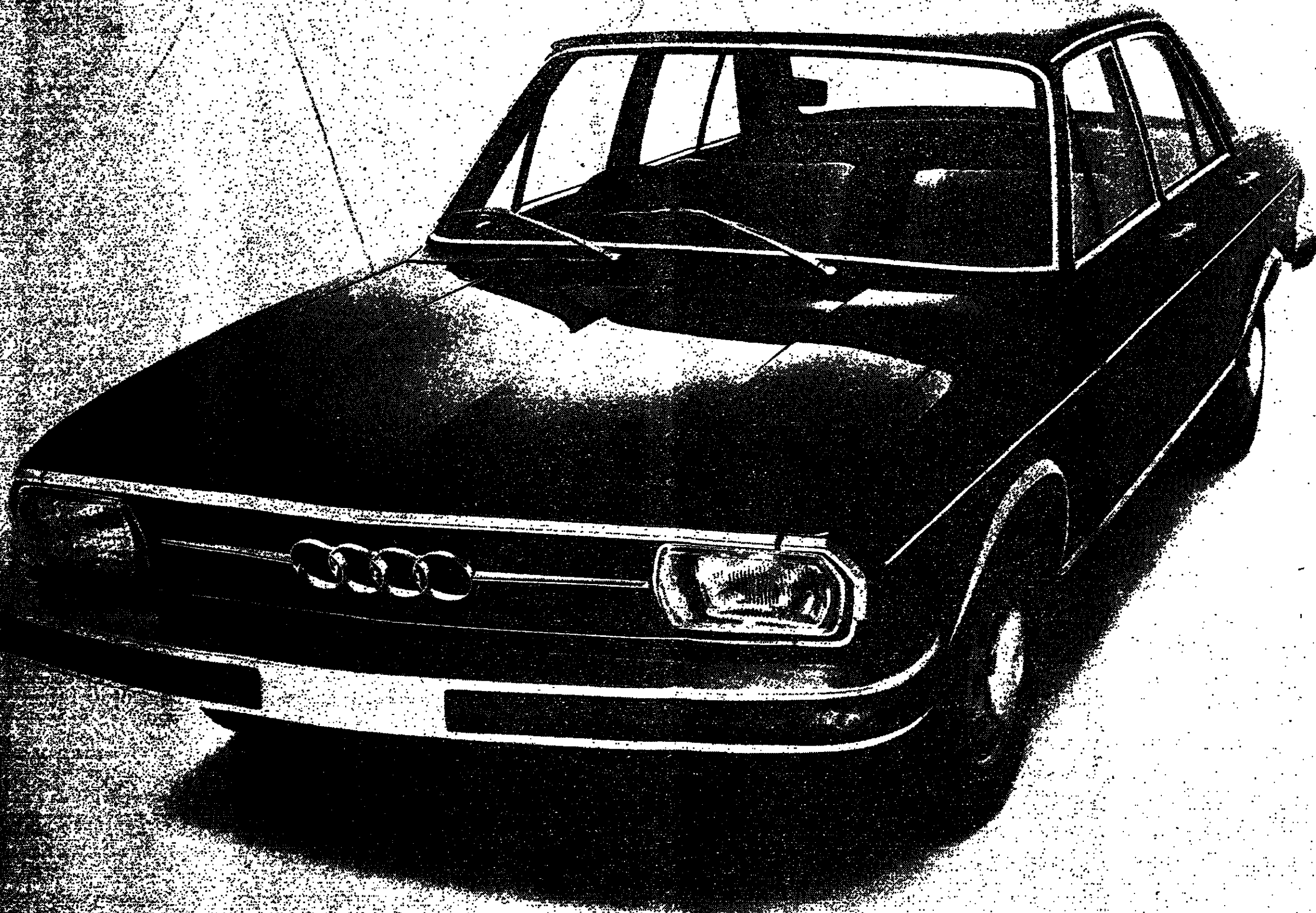
But for all this, our car offers you a measure of performance and spaciousness that is at least as generous as that offered by its more thirsty competitors.

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Last, but by no means least, the Audi offers you a steering and braking system that can keep you on course if a front wheel skids or punctures. And, though other executive saloons may preach about safety, that's one particular feat they can't actually practise.

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Air starts off free – but compressing it costs money. Even running something as small as one 100 cfm compressor can cost you £2,700 a year.

And you can add a bit more if it's leaking out anywhere along the system. A constant leak at 100 psi through just one  $\frac{1}{8}$ " hole adds another £500 a year.

Well at prices like that it doesn't do to waste it. But it's probably being wasted before your very eyes because of ingrained habits, which, because familiar, escape notice. Habits like cleaning down benches, floors, clothes, lockers. Compressed air is an expensive substitute for a brush.

And it might be wasting itself through leaking pipes and joints, faulty controls and tool connections. Furthermore you could be using a lot of power compressing air to high pressure when low pressure would do just as well. Or maybe your compressors are running through long hours when nobody's using compressed air.

It needs a bit of thinking about, but we can help. Start off by giving this check list to whoever's responsible for energy in your company, best of all your Energy Manager. And start reducing the cost of your factory services right away.



### COMPRESSED AIR CHECK LIST

Involve your workforce by getting them to report any leaks or faults in the system. How often does your maintenance department test for leaks?

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Can you reduce the burden on the central system by installing a small localised compressor for a particular process which must use high pressure?

Ensure that compressors aren't left running when not required. A single 1,000 cfm compressor left running but not generating compressed air costs nearly £10 a day.

Check the location of the air inlet and make sure you use clean, cold air.



Department of Energy.







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## MP wants tighter law on obscenity

A BILL to tighten up laws on pornography was given an unopposed first reading in the Commons yesterday. Its sponsor, Mr. Tim Renton (C., Mid-Sussex) said that the measure would strengthen the Obscene Publications Acts of 1959 and 1964.

"It is only necessary to go into any bookstall on any railway station to see books and magazines on sale that most of us, with any common sense, would call obscene," he declared.

The measure had two main aims—to make it harder for the producers of pornographic material to find sellers, and harder for impressionable people to learn about obscene publications through the Press and media.

Mr. Renton said his amendments to the Acts would give extra protection to the young and other vulnerable people. "The argument for making pornography harder to obtain is based, in part, on the premise that it is the duty of the mature mind to help the immature mind to distinguish between what is normal and what is excessive."

Legal definitions of what was obscene were inadequate. "Only by removing the precise definition of the word obscene, can we make it possible for juries to reach a decision according to their instinctive judgment."

Tighter restrictions, he said, were needed on Press reporting of obscene publications court cases. "I see no advantage to our society from extensive Press reporting of proceedings under this Act."

"I propose that the same restrictions on reporting of the judicial proceedings should apply to the obscene publications cases as apply to divorce cases."

The amendments would also make it harder for the defence in such cases to bring in "expert" witnesses to give evidence that publication was in the public good. The present procedure only "befuddled" juries.

## Stable book prices urged

THE Publishers Association has agreed to recommend to its members that they should hold the price of all books, including school text books which were in stock at the beginning of the price check scheme, until its end.

This was disclosed in the Commons yesterday by Mr. Robert Maclean, Under-Secretary for Prices and Consumer Protection.

# Hopes of new companies Bill in 1976-77

BY JOHN HUNT

THE GOVERNMENT hopes to bring forward new companies legislation in the 1976-77 session of Parliament which will commence in the autumn, Lord Winterbottom, a Government spokesman on trade, indicated in the Lords yesterday.

Speaking in the debate on the second reading of the Companies (No. 2) Bill, he was replying to Opposition questions about the time-table for the broader legislation which the Government has been considering for some time.

This would be based on the wide ranging view of company law which is still being carried out by the Department of Trade. It involves arrangements for the supervision of the securities market including ways of dealing with abuses such as insider trading and warehousing.

Lord Winterbottom emphasised that any legislation would depend to a large extent on the outcome of the review of industrial democracy which is currently being studied by a committee of inquiry under Lord Bullock.

The Bullock inquiry would, he said, bring into question such basic principles as the responsibilities and duties of companies and their directors, and the structure of company Boards. He had no doubt that the committee's recommendations would lead to a major change in company law and also to a radical change in the way industry is managed.

The committee had been asked to report by the end of the year and the Government intended to legislate as soon as possible thereafter, explained Lord Winterbottom.

Pressed for more specific information, he said: "Much will depend on the outcome of the Bullock Committee report. But we would wish to legislate in 1976-77."

## Accounts

There would need to be the widest possible debate on the Bullock recommendations. The question of whether a White or Green Paper would be issued on the proposals for legislation would be considered at the appropriate time.

The peers gave an unopposed second reading to the Companies (No. 2) Bill which has been introduced in the Lords. It amends the law on the filing of company accounts and the keeping of accounting records and increases penalties for failure to comply. It also provides for the disqualification of directors who have been persistently in default in delivering details of annual accounts to the Registrar of Companies.

In addition, there are new provisions for the qualifications, appointment, resignation and the power of auditors. There are

also tighter controls on the names of overseas companies which operate in the U.K.

Lord Winterbottom said that the failure of a large number of companies to file annual returns was a serious problem—"indeed a scandal"—and had caused grave concern to successive Governments. Of 643,000 companies on the register, 186,000 were known to be in default in filing.

Last year, summonses were served on 2,440 directors of 893 companies in default and already this year 700 summonses had been served. In addition, 28,000 companies were struck off in 1975, and over 5,000 had suffered the same fate so far this year because they failed to respond to reminders.

But this, he emphasised, was only the tip of the iceberg. Reminders were currently running at 10,000 a week and the cost of this operation had risen to £500,000 a year.

## Auditor

In some cases, the latest accounts on file at Companies House were three and a half years old. But under the present Bill, private companies would have to file their accounts within ten months of the end of the financial year, and public companies within seven months.

To administer this, the Registrar would need 70 extra staff mainly engaged in pursuing and prosecuting defaulters. After staff savings, there would be a net staff increase of 60 at a cost of £150,000 a year.

Dealing with the other provisions, Lord Winterbottom said that the Bill empowered an auditor to make a statement setting out any circumstances connected with his resignation which he thought should be brought to the attention of shareholders.

"These provisions will give a strong auditor a very powerful and effective threat in the event of a dispute with the directors," he commented. "It will force even a weak auditor to face up to his responsibilities as he will no longer be able to evade a difficult situation by quietly resigning and saying nothing."

The Government was keeping in touch with the various accounting bodies on the question of the collapse of Lloyds and County Securities and was examining the recommendations of the inspectors into that affair. If further legislation was necessary on this score, amendments could be made to the present Bill at a later stage.

Opposition peers broadly supported the Bill although some felt it should have covered a wider field. They also urged the Government to take steps as soon as possible to consolidate the whole range of company law.

# Press freedom sinking with your ship, PM told

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. HAROLD WILSON, in one of his few remaining curtain-calls in the Commons as Prime Minister, yesterday took his stand firmly as a champion of the freedom of the Press.

The Tories, permitting themselves some incredulous interventions, called on him to explain how Press freedom had been championed in the affair of the Barnsley Journalists and the actions they had taken over their objections to colleagues who were not members of the National Union of Journalists.

If Press freedom were to be preserved in Britain, information should be given to all journalists—whether or not they were members of a TU-affiliated union, declared Mr. William Whitelaw from the Opposition front bench.

Mr. Wilson agreed with Mr. Whitelaw's view and pointed out that he had implied as much in exchanges about the Barnsley issue last week.

With some caustic interruptions from the Tories, the Prime Minister went on to include Mr. Michael Foot, Employment Secretary, among the champions of Press freedom.

As evidence of this he cited Mr. Foot's action in calling on the NUJ executive to think again about supporting the Barnsley NUJ members.

Mr. Wilson added that he understood the union's general purposes committee had put a recommendation to that effect to the executive.

But where were the cast-iron safeguards the Prime Minister had obtained for Press freedom? demanded Mr. Peter Rost, who had raised the issue from the Tory backbenches.

In the ensuing clash it looked as if Press freedom, like beauty, was in the eye of the beholder.

Mr. Rost accused the Prime Minister of being about to abandon his sinking ship and "paddle away leaving freedom and democracy to sink."

The Speaker had to call for order and from the Labour back benches came an indignant defence of the NUJ by Mr. Max Madden (Sowerby), who contended that concentration of ownership into fewer and fewer hands raised the greatest danger to freedom of the Press.

# New towns transfer will end feeling of division—Silkin

THE GOVERNMENT was aiming to eliminate the "divided town" feeling of people living in the new towns of England and Wales, Mr. John Silkin, Minister for Planning and Local Government, told the Commons yesterday.

He was moving second reading of the New Towns (Amendment) Bill, which provides for the transfer of housing and related assets like recreation areas and neighbourhood shops, to the local authority for the area.

Mr. Silkin said: "It is the first important step in removing from the minds of people living in the new towns the feeling of division." However good the relationship between the New Town Corporation and the local council, division still existed.

But the Bill does provide this, he argued. The Secretary of State may, on occasion, allow dwellings to be sold to the sitting tenants. The Opposition needs a refresher course in elementary English.

The Bill recognised and fulfilled the basic ideals behind the New Towns Act of 1946. "That Act created the new towns. This Bill begins the process of giving them to the people who live in them."

Moving the Opposition amendment, Mr. Timothy Raison, shadow Environment Secretary, said that although the balance between private and public housing had been the theoretical objective in new towns, it was, at present, heavily tipped in the direction of the public sector.

Mr. Raison said that in spite of some reservations, the Opposition supported the principles behind the Bill. But there had to be a maximum stimulus for home ownership and new town tenants should have the right to buy their houses.

For stopping the right of sitting tenants to buy council houses in a Government circular issued in September, 1974.

In Harlow new town, only 20 per cent owned their own homes; in Hemel Hempstead only one-seventh of the stock built by the Development Corporations was owned, and in Peterlee only 403 properties, as against 6,800 in the public sector, were owned. "This cannot be right," he claimed.

Turning to the position of the staff of the New Town Development Corporations, Mr. Raison understood the need to look after their interests and a New Town Staff Commission could be an effective way. But if this came with duplication, widespread grading and so on "it will not be acceptable."

"I do not believe in an overwhelming domination in any one area of one particular form of housing. It is a serious weakness when local authority housing swamps the rest. That is one of the risks we have in this Bill—the risk of paternalism and lack of choice."

Mr. Raison said that on balance the new towns represented a considerable achievement. "By and large, they are becoming

attractive places in which to live. They have fulfilled many of the purposes they set out to achieve, and they have housed a substantial number of people efficiently and quickly."

Some aspects of the new towns programme and whether it was robbing London, Liverpool and Manchester of skilled population and economic vitality.

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## Ryder 'reticence' queried

IT WAS extraordinary that, from beginning to end, Lord Ryder, chairman of the National Enterprise Board, had not uttered a single word about the whole Bewbush land affair in Sussex, Mr. Peter Hordern (C. Hants) said in the Commons yesterday.

"I trust he will not be so reticent in his new role," he added during the debate on the new towns.

Mr. Hordern said that the Bewbush affair was "in every sense of the word a very sharp deal."

Mr. Hordern said he did not dispute that the price paid for this land by Crawley Council to the Reed pension fund and others was right at the time. It was clearly, in retrospect, the wrong time to have bought it.

It was pity, Mr. Hordern declared, that the council did not buy at the time the Reed pension fund had bought it. This was not a very happy augury for the Community Land Bill.

"Land speculation is not an activity that one normally associates with a pension fund and the Bewbush affair was in every sense of the word a very sharp deal," he added.

## Concessions to Anglia waterway users

CONCESSIONS offered by the Anglian Water Authority to meet objections by waterway users to a private Bill controlling the use of rivers and waterways for recreation were announced in the Lords yesterday.

During second reading debate of the Anglian Water Authority Bill, Lord De Ramsey (C. Devon) said that the Bill would make changes at the committee stage to exclude estuaries, thus meeting the objections of some petitioners against the Bill.

He also assured objectors that the Authority had no predatory intentions "to take over further navigation powers. The Authority was prepared to delete that part of the Bill and rely on existing legislation."

The Bill gives the Authority power to develop a number of rivers and waterways for recreational purposes, and to take over navigation rights and control of certain rivers and waterways which had become increasingly popular for boating and angling.

Lord De Ramsey said the Bill's object was to enable the Authority to carry out its responsibilities for recreation under the 1973 Water Act by providing and improving facilities, by "holding the ring" where there was a clash of interest and by bringing administrative order out of chaos.

"Parliament placed a responsibility on the Authority without giving it the tools for the job."

## Too few social security prosecutions—Tory

OPPOSITION MPs yesterday complained of the low number of prosecutions against people who fraudulently obtained social security benefits.

Mr. Brian O'Malley, Minister of State, Social Services, told Mr. Bruce George (Lab. MP) that the total number of prosecutions for all benefit offences in 1975, including cases dealt with by the police, was 15,350.

Mr. Michael Brotherton (C., Louth) protested that earlier this month the Department said there were 45,000 benefit offences in 1975. "Fifteen thousand is a ludicrously small number of prosecutions, and a grave insult to the normal, decent taxpayer."

Mr. O'Malley replied that Mr. Brotherton was not taking into account cases where very small sums were involved, or where one was dealing with an estate after a person had died.

Mr. Bruce George (Lab. MP) said that the vast majority of Labour MPs condemned those who scrounged off or defrauded the social security system, but the number was only an infinitesimal part of those who claimed benefit.

Replying to Mr. Ivor Clementson (Lab. Luton E.), Mr. O'Malley said it was estimated that up to half a million pensioners who were entitled to supplementary benefit did not apply for it.

# Tories' anti-Russia stance aimed at 'cheap votes'—Wilson

THE Conservative Party's attitude to Russia is more related to its internal problems than to world affairs, Mr. Harold Wilson, Prime Minister, said in the Commons yesterday.

He was replying to Mr. Frank Aikman (Lab., Salford E.), who had said that the Conservatives' "daily anti-Russian dose" of "propaganda" was aimed at whipping up hysteria against the cutting of arms.

Mr. Wilson commented: "They think they can get a few cheap votes by doing it, but nobody in the outside world takes them seriously."

"They pay no attention whatsoever to the attitude and the nature of NATO in these matters. But if it makes them feel happy, I should be the last to complain."

Mr. Peter Blaker (C. Blackpool S.) reminded the Prime Minister that a year ago he had signed a joint statement with the Soviet leaders pledging the efforts of their Governments to establish détente on a firm basis throughout the world.

He urged Mr. Wilson to tell Mr. Brezhnev, through Gromyko, the Soviet Minister, that the Soviet "policy of détente, patient waiting, and behaving in a reasonable way" was acceptable to the Government.

Mr. Wilson replied that the Soviet Ambassador told the Soviet Ambassador in London that the foreign interest in NATO in these matters was "anti-Russian propaganda" and that the Soviet Government was likely to disturb progress back by doing it, but nobody in the outside world takes them seriously.

Mr. Wilson: "Yes, I know them like I frequently over 30 years."

## Sub-contractors' certificates

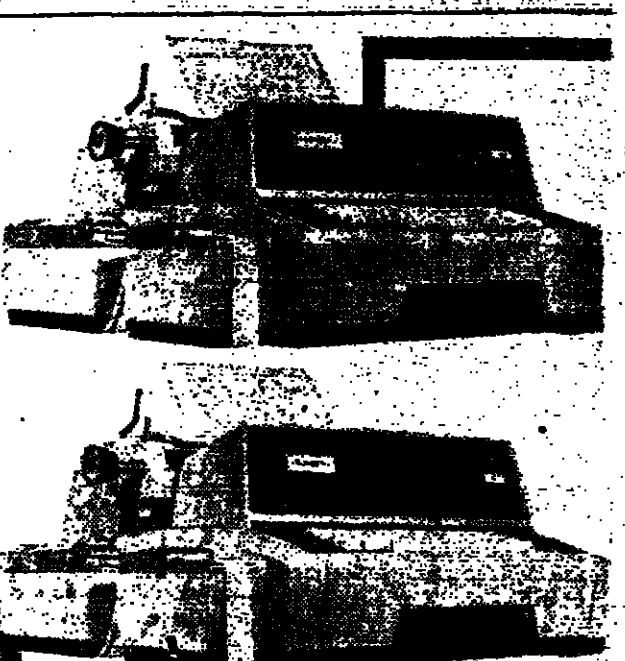
FINANCIAL TIMES REPORTER

ARRANGEMENTS for the introduction of the new sub-contractors' tax certificates will be issued in good time, Mr. Robert Sheldon, Financial Secretary to the Treasury, in the Commons yesterday.

He confirmed that the new certificates will be required on the date of the change-over to the new tax deduction scheme but pointed out that the date of the change-over will not be April 1.

"I will give some months' advance notice of the new certificates," he said. "Until that day, valid certificates in use, Mr. Sheldon said yesterday."

He also stressed that the new scheme will apply to contractors and sub-contractors, "Businesses in the construction industry will not yet applied for a new certificate, and they will be able to do so at once," he said.



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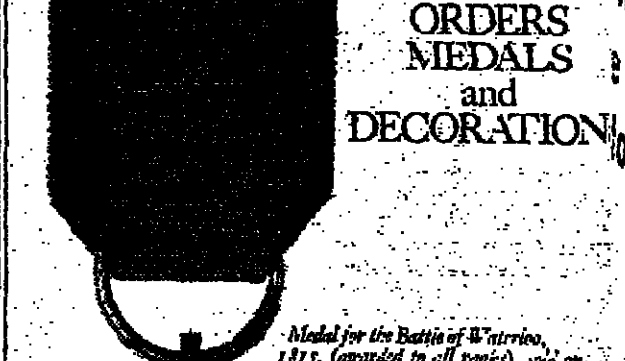
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# The Executive's World

EDITED BY JOHN ELLIOTT

## A retraining plan to meet technological change—by Justin Dukes

### New skills from redundancy

REDUNDANCY IS clearly one of the most serious social issues facing the U.K. today. It is the starting point for perhaps half the people now unemployed and it also therefore has a direct link with incomes policies since trade union leaders have stated that their co-operation with such policies depends on the satisfactory control of the level of unemployment.

Since 1966, each downsizing of the U.K. economy has produced more unemployment than the previous recession and each upswing has been less effective in reducing unemployment. As a result the underlying unemployment trend has been moving upwards.

This emphasises the need for industry to think of some sound ideas to deal with the large numbers of people who are unemployed and to implement them immediately if the alternative of uncontrolled domestic inflation and import controls are not to take the stage.

### Traumatic

The problem is specially important because the bulk of people now out of work were made unemployed in a primitive system which makes redundancy perhaps the most traumatic experience that a person can have in his or her working life.

Present arrangements not only fail to develop a dynamic industrial labour force able to assimilate new technologies, but also fail to provide a means by which people of efficient acceptance of new and so off those who must be key to our basic international competitiveness.

For a better arrangement start with an appreciation of the individual's plus the long-term of an examination of the individual's institutional liability.

Individuals thrive on security. The financial security which the individual has with the unpredictability of redundancy is a major problem. Incomes must, as far as possible, be removed. However, the retraining and a new may be, if there is no sense of success, and of the subsequent income, individual will probably be at risk making a change. Addition, despite the best of the staff involved, people feel instinctively at disadvantage when dealing with the Government and the local government. The redundant person feels he is ill-equipped to have with the Inland Revenue, the employment exchange, retraining schools, social security officers, and the staff at the town hall. He then still has to pit his wits against

a few personnel managers and a clutch of credit controllers representing hire purchase companies and perhaps his building society and bank manager.

It would be unrealistic to advocate total protection against the representatives of all these institutions, but however sincere the effort may be which is put in relaxing the atmosphere of informing the person of his individual rights, the redundant person is frankly alone in a situation where he senses conflict of interest, and where he must rely upon the representatives of his adversary to interpret, explain, and then apply the rules.

Industry therefore needs a system for redundancy where, irrespective of one's skills as a lawyer or negotiator, disposable income is secure at a level adequately related to that obtained prior to redundancy. I therefore suggest there should be a scheme for the maintenance of net (after tax) income, plus a method of administration, which counteracts the feeling any redundant person may have that he is a second class citizen—a relative failure. The objective must be to give the redundant person the status of an employed person.

Looking at the long-term requirements of the industrial sector, one needs not only short-term reductions in the number of people employed but provisions for those remaining to comprise the most appropriate people with a mix of skills and abilities, preferably jointly agreed by management and unions, which are needed by the enterprise. The financial policies of the European social fund, of the Training Services Agency and of the industry training boards, reflect an appreciation of the fact that development, through retraining, of new or improved skills is one of the real keys to growth.

### No assessment

People are still normally selected for redundancy—the situation which best provides the opportunity for substantial retraining—on the basis of last-in-first-out. Cruder technical and social criteria would be hard to imagine. There appears to be no objective assessment of career interest or skill potential before deciding which people should go and which people should stay. Instead, the statistics sadly confirm that the redundant have an above average propensity to subsequent redundancy.

Maintenance of net income as a concept is straightforward, and starts with an undertaking from the employing company to make up the after-tax income of the redundant employee to a level which prevailed across some period prior to the redundancy. The company would also undertake to maintain support up to that level until net earn-

ings, in future employment, equal the specified figure.

Such an undertaking would be matched by an undertaking from the employee, represented by his union, that in advance of the date on which he is due to cease normal work within the company, he would accept objective guidance, under joint management-union supervision on his potential skills and abilities, on an appropriate retraining programme, and on the career he should realistically pursue with a view to the best secure income.

The scheme would be operated jointly by the company and the union concerned, which could delegate the coordination of the operation back to the management of the company. In principle, therefore, there would be a joint responsibility for ensuring that the individual does re-assess his career, and does complete an agreed retraining programme.

### Payment cost

The cost of net income maintenance to a company will obviously compare most unfavourably with the cost of statutory redundancy payments if the company is seeking to lose relatively short service but highly-paid employees. However, the levels of statutory redundancy compensation are in any case being forced up, so far suggest that, for a group of employees covering a representative cross-section of earnings levels, ages and lengths of service in a diversified industrial area, net income maintenance for the whole group would cost a company the equivalent of approximately four weeks' pay for each year of service. Any such cost equivalent is, of course, based upon assumptions about inflation and the level of unemployment. It is also based upon a comprehensive use of current tax legislation.

Clearly the need for income security and joint management-union support in redundancy depends upon the prevailing level of unemployment, but although unemployment appears cyclic the underlying trend is one of increasing unemployment and industry must live with the consequences.

The Government might well consider, in view of this trend, whether it should encourage among employers and unions an on-going joint responsibility for redundant employees well beyond the point of redundancy, up to the point of providing adequate alternative employment. This encouragement could include the creation of a new category of employed labour to cover this specific group of employees, maybe called "employed in training." Changes in legislation would, however, be required. An amendment to the Redundancy Payments Act 1965 would be needed to allow the employer who makes a commitment to an approved scheme of net income maintenance for a group of employees, to pay the total amount

of money which the present Act specifies for each individual, into a fund to be used for the group as a whole, and to collect the appropriate sum of rebate.

An amendment to the tax legislation would be needed to enable any capital sum, which if paid in one lump sum would not now attract tax, to be paid in a series of variable instalments across any period of time, also without attracting tax.

Finally an amendment to the supplementary benefits legislation should enable some standard part, if not the whole, of the benefit which the long-term unemployed would normally receive in the absence of income maintenance, still to be paid as part of that maintenance.

With the benefit of this amended legislation, the Government would be in a position to conduct an experiment, if it wished, both to control the level of unemployment and at the same time to encourage the socially acceptable modernisation of U.K. industry.

The experiment could take the form of the Government specifying a series of thresholds, each in terms of levels of national unemployment. In recessions, as each higher threshold is reached, so employment organisations of progressively smaller sizes would be encouraged to use the new legislative provisions. Those companies would not be allowed to make people redundant other than by transferring them to the new employed (in training) category and supporting them jointly with union and Government participation.

This article is based on a talk given to an industrial relations conference last week in London by Mr. Justin Dukes, a director of The Financial Times.



## More arbitration helps to avoid litigation

BY A. H. HERMANN

DURING the next few months developments within the Common Market are likely to increase the importance of arbitration as a way which companies can use to sort out their legal difficulties. This means that the time is now ripe to bring the possibilities of arbitration to the attention of those companies which up to now have not used it in their business affairs.

Most managements are already aware of the advantages of using arbitrators to settle disputes informally instead of indulging in litigation. But there is also a need to ensure that arbitration clauses, when they are used, are not framed too loosely.

This is specially relevant with the EEC developments. The reason for this is that the range of contracts which will automatically fall under the jurisdiction of foreign courts will be greatly increased by the impending accession of Britain to the European Judgments Convention.

An arbitration clause will then be the only way of escaping the dangers of extensive litigation abroad. The Convention—its full name is the Convention of Jurisdiction and the Enforcement of Civil and Commercial Judgments—is already in force among the original six members of the EEC and its operations so far have illustrated the advantages of using arbitration to solve disputes and avoid lengthy litigation all the way to Luxembourg.

When the U.K. joins in, English courts will be far less free to assume jurisdictional responsibility for certain contracts and the Convention will particularly hit insurance contracts

which it lumps together with hire-purchase contracts under rules protecting weaker parties. U.K. official negotiators are now trying to remove from the Convention a rule that gives the insured party the choice either to sue in his domicile or in the country where the loss occurred.

They may succeed in removing this from marine insurance cases but not from all other situations and this will lead to a wider use of arbitration clauses in insurance policies, where those in the U.K. would take days. If fast work is needed it may be advisable to go to Paris or Rome. But if time and money can be spent on meticulous arbitration work, the choice will probably fall on London. Above all, it is important to choose a place in which it is possible to find suitable experts prepared to arbitrate rather than fall back on "most harmonious" and High Court judges seem quite keen to come into closer contact with business life by serving as arbitrators in cases involving legal issues—a possibility which has been opened to them only recently.

The chance of securing a High Court judge as arbitrator is probably the greatest bargain available on the English legal market. The cost is £250 for two days, or any part of two days, payable to the High Court and returnable if the proceedings are abandoned or if there is no award.

In large deals to be completed over a period of years, arbitration is often employed not only to solve disputes but also to fill in gaps in agreement. This is an important function and underlines how

important it is to tailor arbitration clauses to the particular needs of the contract instead of merely copying the wording from a previous deal.

There are also important international differences in arbitration which should be kept in mind when drafting an arbitration clause. For example, unlike Continental awards, English arbitration awards do not state reasons for a decision. French arbitrators will often give an award in two hours where those in the U.K. would take days. If fast work is needed it may be advisable to go to Paris or Rome. But if time and money can be spent on meticulous arbitration work, the choice will probably fall on London. Above all, it is important to choose a place in which it is possible to find suitable experts prepared to arbitrate rather than fall back on "most harmonious" and High Court judges seem quite keen to come into closer contact with business life by serving as arbitrators in cases involving legal issues—a possibility which has been opened to them only recently.

Because London is the seat of numerous specialised associations of arbitrators, it is usually very simple to provide for arbitration in London. The two words "London arbitration" included in a marine contract of numerous specialised associations of arbitrators, it is usually very simple to provide for arbitration in London. The two words "London arbitration" included in a marine contract

will be recognised by most foreign courts as determining that arbitration should be under rules of the London Maritime Arbitrators' Association. Its world-wide reputation is reflected in the £3m. it has contributed to U.K. invisible exports in the past year by earning foreign fees.

Another important consideration is procedure. If nothing specific is laid down in the contract, the local procedure will be used by arbitrators; but they can also be authorised by the

parties to adopt their own procedural rules and accept affidavits instead of hearing witnesses which means forgoing cross-examinations and formal pleadings.

Then there is the question of whether one should rely on an institution like the Institute of Arbitrators in London or the International Chamber of Commerce in Paris, or employ arbitrators directly. Obviously, if the need for arbitration is likely to arise urgently on a week-end, an institution will not be of much use. But in most situations the institution will provide not only rules but also a secretariat. To compensate for this when employing individual arbitrators, it may be useful to employ a solicitor to act as secretary to the arbitration tribunal.

It should also be noted that arbitration is the standard method for settling disputes over East-West contracts. All European Communist countries employ arbitration for settling disputes between their own State-owned enterprises and therefore have well-developed institutions for this purpose. They also adhere to a number of international arbitration conventions but do not as a rule admit "foreign" experts as arbitrators in their tribunals.

There is a vast legal literature dealing with arbitration. An excellent round-up on the state of the art is "International Commercial Arbitration," a loose-leaf collection of documents and papers edited by Professor Clive Schmitthoff, and published by Oceana Publications, New York, together with the British Institute of International and Comparative Law published last year.

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These findings are without question a significant step forward in a line of research that has been followed for many years in many countries—including our own.

But much work has still to be done to complete our knowledge of the disease, though the likelihood of a major advance is greater at this moment than ever before.

Over the last two years, we have—through the generosity of people like yourself—been able to put over £250,000 behind carefully selected research projects in this country.

What we now need to do, is raise even more money to finance even more research, so that the possibilities opened up by the American achievement can be exploited as urgently and intensively as possible.

And this is not only vital for the thousands who already have this disabling disease, but for the many thousands—especially younger people—who will fall victim to it in the future.

The control of MS is still some distance off, but the pace of research is quickening. You could help to quicken it even more by sending as much money as you can to:

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### BUSINESS PROBLEMS BY OUR LEGAL STAFF

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I have recently put a small private property company into voluntary liquidation. Before transferring the assets of the company in specie to the shareholders, I want to sell some of the flats on long leases of 99 years. Is it permissible or advisable for a liquidator to grant long leases and are there any long-term problems attached to such a transaction?

If the company is to a members voluntary winding-up there is no objection in principle to its realising its assets by selling long leases, apart from the possibility that purchasers will be reluctant to take long leases from a company in liquidation. You will normally need to instruct a solicitor to draft the leases and you may think it advisable to consult him first about the practical question of the marketability of the leases which you contemplate granting.

#### Guarantee of capital

Is there any way in which an individual investor entrusting capital to a money manager, either an individual or a company, can have a positive guarantee of the security at least of his initially invested capital?

There is no simple answer to your query. The best that you can do is to ensure that liability is at least fixed supported by the obligation of one or more people who are of substance and whose liability is not limited. Unless you are dealing with an unlimited company this is best done by requiring the guarantee of one or more individuals whose personal circumstances made it likely that they would honour the guarantee.

No legal responsibility can be accepted by The Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, MARCH 24, 1976

## Jobs and the Budget

THE March unemployment figures are encouraging, surprising and timely. The encouragement hardly needs elaboration: the fall in unemployment—and, still more unambiguously, the rise in vacancies—reinforces other evidence that the business cycle is now past its turning point. This has emerged from recent business surveys, and the sharp recovery in the February money supply also pointed to a revival of activity; but recent figures for output and retail sales have been more subdued. The unemployment figures help to resolve this conflict of evidence in favour of a significant recovery in activity.

## Early turn

The surprising thing is that the labour market appears to be turning so early in the business cycle. Unemployment is normally regarded as a long lagged indicator: it may now have turned down within three or four months of the trough of activity. Two explanations suggest themselves: the depth of the recession, and the Government's job-saving programme.

On two previous occasions unemployment has peaked fairly shortly after the trough in industrial production: in 1963 and 1972. On both occasions, the previous recession had been deep, and marked by severe financial strains for companies, which responded with a shake-out of labour. It seems possible that as a result the cushion of hoarded labour which British employers have normally maintained in recessions was much reduced. Furthermore, each cycle was marked by de-stocking, which causes an initially sharper revival in output when the turn comes, with a correspondingly quicker impact on employment. This has been the recent pattern in the U.S.—much to the electoral advantage of President Ford—and something similar may well be happening here.

The Government's job-saving programme has, on the face of it, helped to bring the turn forward. If the jobs subsidised under the programme are eliminated, some rise in seasonally adjusted unemployment remains, both in February and in March. However, it seems likely that a good number of the jobs "saved" have been at the expense of hiring opportuni-

ties for those still on the register: the Government acknowledges that this is probably true of the subsidy for employing school leavers—indeed, this project has almost certainly made the "underlying" figure, which excludes school leavers—worse than they would otherwise have been.

Whatever the cause for the apparently early turn in the figures—and there still is a recovery is fully confirmed—the result could be more than welcome. On the two previous occasions when unemployment reached a sharp peak in the first quarter of the year—in 1963 and 1972—the figures were followed by a Budget which proved far too expansionary. By 1976, it is to be hoped, we have learned something from these experiences.

It is important, therefore, that evidence suggesting that the economy is already on the turn has appeared in the two sets of figures ahead of the Budget: for while the unemployment figures may be a lagging economic indicator, they are potent politically. The TUC, on whose goodwill the Government—and especially a new Prime Minister—is bound to set much store, has been calling for a large reflation, coupled with import controls, to reduce unemployment: the new figures should help the trade union leaders to suspend judgment which is based on highly debatable economic forecasts, and make it easier for Ministers to stick to responsible policies.

## Crucial judgment

The evidence could hardly have come to hand at a more important time: for as Mr. Healey has said, he is now engaged in forming what is probably the most important Budget judgment of this Parliament. He is already constrained by an excessive level of public expenditure for 1976-77—the result, it seems, of learning the wrong lessons from unemployment forecasts which may now prove over-optimistic. It is now in his power to choose between a steady, export-led recovery which could last for some years, or yet another cycle of over-stimulation and crisis. Yesterday's encouraging news should strengthen the instinct which he has begun to display to take the long view.

## The Lebanon at war with itself

THE CRISIS in the Lebanon is now at least as serious as at any time since it began nearly a year ago. It is not just that the ceasefire, which went into effect in January, has broken down: it is rather that the build-up of armed strength by the various forces has reached the level where the battle could spread well beyond Beirut and turn into the full scale civil war which has so far been avoided. It is becoming doubtful whether the Syrians could prevent it, even if they were more clear than they appear to be about what they are trying to do.

## Israel

In fact, it is easier to say what the Syrians do not want than what they do. They do not want to intervene militarily to the point where this would provoke a military response from Israel. They do not want an extreme left wing Lebanon which would be a challenge to their own position. Nor do they want the emergence of Lebanon as a confrontation State capable of sparking off a new Middle East war in which Syria would inevitably be involved, and they probably do not want partition. Yet ironically each one of these possibilities seems to have become more likely since the Syrians produced their plans for a settlement two months ago.

The Lebanese army has since divided, thus effectively ruling out the solution of a military coup d'état. On the one side here is the "Lebanese Arab Army" of Moslem deserters led by Lieutenant Ahmed Khatib who wants both a better deal for the Moslems and a more active role for the country in Arab affairs. On the other there are the "loyalist" forces which have rallied to President Franjeh. The commander of the Beirut garrison, Brigadier-General Aziz al Ahdad, is in the middle: seems little chance that it will be also a Moslem, but with work now.

right-wing support and more at Lebanon, than an Arab nation any time since it began nearly a year ago. It is not just that the ceasefire, which went into effect in January, has broken down: it is rather that the build-up of armed strength by the various forces has reached the level where the battle could spread well beyond Beirut and turn into the full scale civil war which has so far been avoided. It is becoming doubtful whether the Syrians could prevent it, even if they were more clear than they appear to be about what they are trying to do.

By now the support for President Franjeh remaining in office is almost nil and he himself has said he is prepared to go before his term of office expires in September, though on the condition that he is allowed to do it in a dignified manner. Even the Syrians, who have supported him in the past, would probably like to see him out of the way, for there is no profit in being identified with a man whose inaction and pro-Christian bias are widely blamed for the escalation of the fighting last year.

The Syrians are now working on new plans which would allow for a measure of political reform, an early election for a successor to President Franjeh and an amnesty for deserters. The problem is that the Syrian plan in January also called for political reform, but the Lebanese themselves did not get on with it. It is also doubtful how far the deserters will be attracted by an offer of an amnesty when they have effectively formed an army of their own. The Syrians have further failed to come to terms with the Lebanese left and especially its established leader, Mr. Kamal Jumblatt, whose supporters now more than ever represent an other considerable force in its own right. The basis of the supposed settlement in January was that President Franjeh and the Christian leaders would agree to sufficient political and economic reform to placate Mr. Jumblatt and the Palestinians who back him: it did not come off and, given the subsequent polarisation of forces, there seems little chance that it will be also a Moslem, but with work now.

The decision to delay the debate on the Weights and Measures Bill highlights more than Labour's Parliamentary problems. Behind it lies growing unease over metrication. Elinor Goodman reports

## Shoppers' fears: the brake on the metrication change

THE Government yesterday announced the postponement of the Second Reading of the controversial Weights and Measures Bill, which would have been Britain's next step on the road to metrication. The decision became politically inevitable not when the Conservative Opposition threatened to vote against it unless certain additional information and promises to safeguard the consumer were given but when a group of Labour back-benchers told Ministers that they, too, could not support the legislation in its present form.

Few changes can have been viewed with as little enthusiasm, both at Westminster and among the public, as the transition to metric measurements. Despite frequent assurances from the Metrication Board, the man in the street still regards metrication with deep suspicion. Gone, it is feared, will be the "Great British Pint" and in will come yet more hidden price rises—a suspicion based largely on Britain's unhappy experiences in converting to a decimal currency.

Industry and successive governments have shown a similar lack of conviction about the change. While officially supporting the introduction of the new system on grounds that it will enable Britain to compete more effectively abroad, neither side has put its full weight behind the changeover. This is evident from the fact that the original target date for the "substantial completion" of the changeover was three months ago: there now seems little hope of completing the switch for at least another two years.

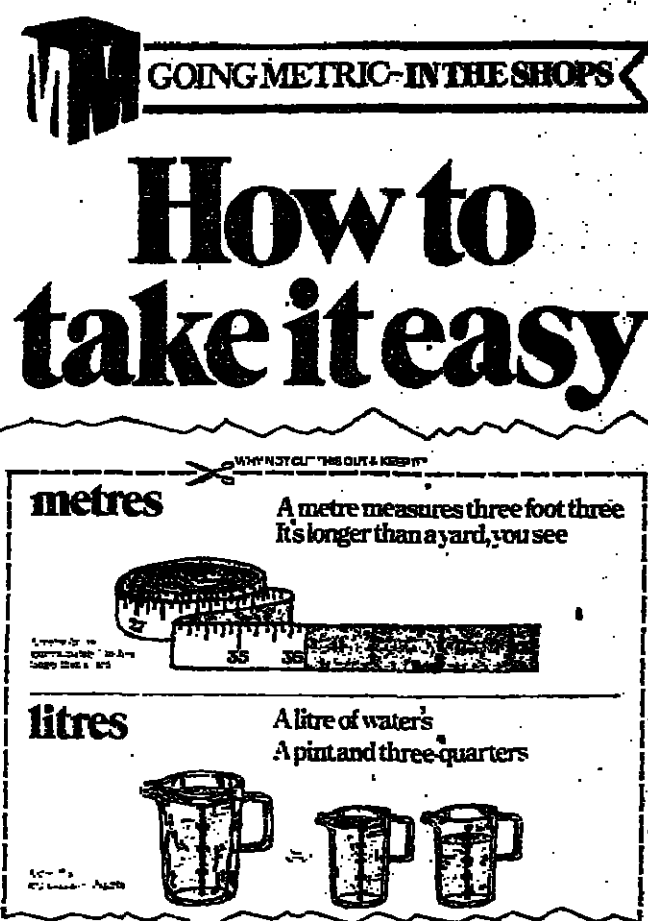
## Political hot potato

In the course of the last 10 days, however, metrication has suddenly become a political hot potato. The seemingly innocuous name "Weights and Measures Bill," which was to have been debated in the Commons last night, could have produced a repeat of the Government's recent defeat on the public expenditure cuts. Faced by an amendment from the Conservatives, the Government discovered that some of its own backbenchers were showing signs of voting against the Bill. While the Government might have been able to give the Conservative Party at least some of the assurances it wanted, there was a fear that if the Tories realised the degree of dissent among Labour backbenchers, they might force a division. For this reason the debate has been postponed to give the Government time to rally support for the Bill.

The problem is that the emo-



Left: Mrs. Sally Oppenheim, Tory spokeswoman on consumer protection, wants to delay the move to metric measures in the shops. Right: The Metrication Board tries to make it easy. Its consumer-oriented Press advertising earlier this year was part of a pro-metric campaign that has cost £1.5m. over the past seven years.



tion arguments against metrication is a lot easier to put across than the somewhat intangible benefits to Britain's balance of payments. Those voting against a piece of legislation which was seen as hastening the death of imperial measurements could be sure of winning considerable support from small shopkeepers and the "non-aligned" consumers who are not members of the consumer organisations, like the Consumers' Association, which support the Bill. These organisations favour "a smooth painless transition rather than a confused drift."

The Bill would give the Government the enabling power either to fix a cut-off date for the use of imperial measures in certain sectors or to restrict the use of imperial measures. It means that if the Bill were passed the Government would be able, after due consultation with industries affected, to lay an Order before the House stipulating that, say, clothes or jams could in future only be sold in metric sizes. It also means that the Government could insist that goods now sold by the pound, like meat and vegetables, were in future weighed out in kilos. Officials also stress that there are no plans at present to use the cut-off powers and that they may never be necessary. There get machinery moving to allow the Government to fix cut-off dates and so speed up the transition of all remaining products to metric.

The Conservative reasoned amendment, as proposed this week, would not change the Bill but could slow up its progress. In it Mrs. Sally Oppenheim, the shadow spokeswoman on prices and consumer affairs and her colleagues, said they declined to give a Second Reading to the Bill "unless and until the Government provided adequate and specific information as to the exceptions, the cut-off dates and the consumer safeguards in the metrication programme."

In this amendment they appeared to be echoing the concern expressed this week by the National Consumer Council—the organisation set up by the Labour Government to represent the consumers' interests—that too rapid an adoption of metric measures on items like weighed-out food-stuffs might fuse among consumers about prices. The point about "exceptions" presumably refers to vexed issues like "the pint."

Though organisations, like the Consumers Association and Food Manufacturers Federation, might like further details of the Government's plans on metrication, their prime objective is to

ing directive before the EEC at a time when the National which would establish a new time table under which imperial measures like hands and fur-

lobs would disappear at the end of 1977 while others like long and difficult. Now, with square yards would go by the end of 1978. Decisions on the more politically sensitive measures—pints and ounces, for example—would be delayed until the later date which could mean their possible continued use in Britain until about 1981. The other point on the EEC aspect is that after April 1978 Britain will no longer be able to discriminate against products sold in metric quantities.

## Simmering feeling

Both industry and Government feel that unless the Government has the reserve powers to enforce cut-off dates on the use of imperial measures, the necessary progress towards metrication will not be made. The emotions which the Weights and Measures Bill has aroused, however, has to some extent exaggerated its importance. The legislation is being used as a focus for simmering anti-metrication feeling that has been around for some time. However much opponents of metrication might want to turn back the clock, Britain is committed to the change and has already gone, over half way along the road.

The greatest progress has been made, not unreasonably, in those sectors which can see immediate advantages in going over to an internationally acceptable system of measurement. Around 35 per cent. of all engineering production is now in metric sizes while almost 90 per cent. of engineering companies are now designing for the future in metric.

The change to metric working in the construction industry is largely completed and metric sizes are now standard for steel sheet, while some food products like breakfast cereals are now in metric packs.

The idea always was that the changeover should start in the primary processing industries and gradually work through to consumer products and then into the shops, with road signs being changed last. But the voluntary nature of the transition has inevitably led to some confusion, while, at a time of recession, companies have not necessarily been prepared to spend money on new equipment when there was no obligation to do so.

Almost every sector of industry can quote anomalies which have arisen since programme was started in 1970. The Central Electricity Generating Board, for example, geared itself to receive metric tonnes

## Confusing at first

Both industry and organisations need the need for a point along the National Consumer Council's Metrication Check scheme. Every people recognise a amount of advertisement to make consumers forward to metric the woman doing her buying her meat in, undoubtedly be confused and all the Government is to try to convince the public that metrication is not allowed to changeover as an excuse their prices artificially.

It is not possible to accurately either the going metric or the terms of exports. All certain is that if Britain not made the decision metric it would have been in a tiny minority. Commonwealth countries, such as Australia, have already considerably more progress towards metrication Britain, while the U.S. is also committed to it. T leaves a small select band Brunei, Liberia, Burma at which have arisen since programme was started in 1970. The Central Electricity Generating Board, for example, geared itself to receive metric tonnes

## MEN AND MATTERS

## Mapping the royalty row

A fine battle is going on between the Map Publishers Group, an affiliate of the Publishers Association, and the Ordnance Survey, which not only publishes its own maps, but also charges royalties on products of other map producers. George Philip, the chairman of the Map Publishers group has written to a number of newspapers complaining of "new swingeing charges" by Ordnance Survey.

According to the MPG arithmetic price increases of up to 50 per cent., royalty increases of up to 36 per cent., and with a further 100 per cent. increase due in 1977 is producing an effective seven fold rise in charges over a 12 month period. It calls the new charges "shameful" particularly because they have been introduced at a time when the whole question of copyright is under investigation by the Whitford Committee.

"Historically, copyright has been for the protection of the originator. The Ordnance Survey are now using it both to make profits and to damage an independent industry," thunders Philip.

Strong stuff, but not enough to allow Ordnance Survey, where Alno Dalgleish, the director of map publications, says that the MPG interpretation of the situation is "not strictly true." He points out that although government departments are not subject to the Price Code they are subject to equivalent tough restrictions. Price increases therefore are justified by cost increases.



"They'd be even better if it wasn't for football managers and the top State jobs!"

estate agent might pay 40p to 50p in royalties for each of several copies of a large scale local map.

This system had endured since the 1930's, but as mass production users increased it was felt that the system was unfair to the bulk of users. The mass producers were only contributing around 5 per cent. of royalties. Therefore a flat rate per copy has been introduced—pitched at a level which leaves total royalty income virtually unchanged. The 0.7p example would now cost 2.6p per copy: a big percentage increase, but hardly enormous in absolute terms.

## Old staggers

British Leyland appears to be on the nostalgic tack. On Monday, it announced re-entry to Jaguar racing after 19 years—and now comes a plan to gather together 130 or so examples of historic vehicles built by

Leyland companies and put them on display at the Donington Collection, near Derby.

A new company has been formed to develop the collection, and the public should be able to see the vehicles—ranging from an 180 Wolseley to the last E-type Jaguar—from the autumn onwards. The idea is that the project should be self-supporting by making the cars available commercially for displays, films, and so forth. At least the collection, estimated to be worth £1.5m., can go down as an appreciating asset.

## The long stager

As Dmitri Polyansky discovered the other day, some jobs are more risky than others in the claustrophobic world of Soviet politics. Once considered a man with a promising future, Polyansky was dropped from the ruling Politburo and dismissed as agriculture minister after another bad harvest, a familiar hazard for those aspiring to his ministry.

In foreign affairs, however, Russia seems to have opted to an extreme degree for continuity despite the old international setback. Andrei Andreyevich Gromyko, Soviet foreign minister now on a demonstrator-dogged visit to London, always seems to be around. He must surely hold the world record in the diplomatic field: now 67, he is just entering his 20th year in the post. And this month he was re-elected to the Politburo, which would point to several more years in office.

The inevitable puzzle is how far he is a policy-maker and how far just a functionary for the Politburo's leading lights. Gromyko has a reputation as a thoroughly professional diplomat, tenacious and well drilled in carrying out orders. There is in effect no policy-making outside of the Politburo, and significantly Gromyko was

## Good question

A friend who had just changed into his dinner jacket was challenged by his young son: "Daddy, why do you wear that when it always leaves you with a headache the next morning?"

Observer

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# Clark & Fenn hit by Swiss losses

SINCE MAKING the interim statement in December, investigation into the affairs of the Swiss operating subsidiary of Clark & Fenn (Holdings) has disclosed a serious position, reports the chairman Mr. C. C. Vanderwell.

He points out that in January 1975 the minority holders of the Swiss subsidiary, C. Garmann and Cie, exercised their put option and C. and F. acquired 100 per cent. control.

It is evident that the situation at Garmann has been affected not only by difficult conditions in the Swiss construction industry but also, and "more seriously," by a breakdown in control and accounting. The company has sustained trading losses of £175,000 for 1975 and losses of £353,000 have been disclosed in relation to prior years.

Investigations and projections indicated substantial losses continuing into 1976 and action has therefore been taken to divest C. and F. entirely of this company by the sale of the busi-

# Stone-Platt up 39%

AFTER substantially higher interest charges, pre-tax profits of the Stone-Platt group went up by 39 per cent from £8.02m. to £11.14m. for 1975, obtained from net sales up by 42 per cent to £138.74m.

The 1975 figures include £5.3m. sales and £331,000 profit, before interest and tax, of the acquired Ernest Scragg group for the quarter to December 31.

Last September, reporting first half profits up from £2.7m. to £4.13m., the directors said they expected the full year profit to show a significant improvement over 1974.

Pre-tax earnings per 25p Ordinary share for the year are shown at 31.1p against 25.1p after allowing for the increase in the weighted average of units in issue consequent upon the acquisition—stated earnings after tax were 17.8p against 16.1p.

The final dividend is indicated at 1.35p to £1.35m. net profit from 2.7m. to 2.7m. permitted 2.54p, payable on capital increased under the Scragg acquisition.

There are extraordinary credits of £1.9m. (£0.5m. debits)—they include £1.6m. arising from the acquisition of Scragg and £0.3m. from exchange rate changes.

The directors point out that the group has again achieved improved results in spite of inflation and a world-wide recession. Although inflation is now moderating and some markets are showing signs of recovery, the pace of recovery is still slow, they add.

The order book is not as high as a year ago and it may be some

# Gold Fields Half-yearly Statement

The unaudited results of the Group for the half-year ended 31 December 1975 are shown below together with the corresponding figures for the half-year to 31 December 1974 and those for the whole year to 30 June 1975.

	Half-year to 31.12.75	Half-year to 31.12.74	Whole year to 30.6.75
Net revenue of:			
Construction materials companies	5,885	2,727	7,195
Industrial and commercial companies	4,583	8,847	13,510
Mining companies	(283)	9,537	13,730
Dividends on investments	7,479	8,490	18,550
Profit on realisation of investments, less unrealised depreciation	2,717	1,394	7,683
Fees and sundry revenue	4,642	4,209	7,468
	25,019	36,390	70,023
Administration, technical and general expenses	4,282	3,536	8,700
Interest on loan capital	4,882	4,447	8,998
Exploration expenditure written off	1,544	1,275	3,593
	14,688	20,068	30,191
Share of profit of associated companies	5,943	6,814	10,772
Profit before taxation	19,134	33,708	67,282
Estimated taxation:			
Group	11,570	14,071	20,906
Associated companies	550	494	1,433
Net Profit	8,014	19,243	44,943
Attributable to outside shareholders	(391)	4,591	7,540
	7,105	14,700	37,593
Extraordinary item less taxation	—	—	1,231
Net profit attributable to the Shareholders of Consolidated Gold Fields Limited	7,105	14,700	38,824
Earnings per share (Based on the average issued Ordinary share capital)	5.91p	13.44p	33.29p
* Adjusted in respect of the rights issue in 1976.			

## The Associated Portland Cement Manufacturers Limited



### BLUE CIRCLE GROUP

The Board of Directors of The Associated Portland Cement Manufacturers Limited announce the following consolidated figures for the Group for the year 1975, subject to completion of audit, with comparative figures for 1974:—

	1975	1974
	£m.	£m.
Turnover	286.1	213.3
Profit before taxation	42.5	22.5
Taxation	22.4	11.5
Profit after taxation	20.1	11.0
Interest of minority shareholders	3.5	2.8
Profits available for appropriation	16.6	8.2
Dividends paid and proposed	6.2	5.7
Retained profits	10.4	2.5
Earnings per £1 Ordinary Stock Unit	20.5p	10.1p

The Board propose to recommend a final dividend of 5.254 per cent. on the Ordinary stock of the Company in respect of the year ended 31 December 1975, which together with the interim dividend of 2.35 per cent. makes a total dividend for the year of 7.604 per cent., being the maximum permitted under current Counter Inflation Legislation.

While profits are substantially above 1974 this was a particularly depressed year. Profits available for appropriation at £16.6m. compare with £15.5m. available in 1973. In the United Kingdom there has been a sharp recovery in trading profits mainly due to cost savings and more realistic selling prices. Home deliveries of cement fell by 4.7% to 10.5m. tonnes and exports by 23% to 0.7m. tonnes.

Overseas, profits of subsidiaries and associates continue to show an overall improvement compared with the year 1974. In South Africa, Blue Circle Cement Ltd. has a full year's benefit of its controlling interest in Hubert Davies & Co. Ltd. In Nigeria, West African Portland Cement Co. Ltd. ceased to be a subsidiary in July 1975 following the taking up by the Federal Government of additional Ordinary Shares and the appropriate proportion of West African Portland Cement Co. Ltd.'s profits for the year, before tax, has been included in the share of profits of associates.

The charge for Taxation for 1975 consists of £11.3m. Corporation Tax, £3.3m. Overseas Tax, £6.1m. Associates and £1.7m. Equalisation.

The Group depreciation charge amounts to £20.0m. (1974 £17.6m.). The depreciation charge for the Company includes £4.1m. (1974 £1.3m.) being the additional depreciation for the year required to take account of the increase in fixed asset replacement costs from the date of the last valuation to the mid point of 1975.

The Annual Report and Accounts will be despatched to stockholders on 12 April 1976 and the Annual General Meeting will be held on 6 May 1976. The proposed Final Ordinary Dividend, if approved, will be paid on 17 May 1976 to stockholders on the register at the close of business on 20 April 1976.

H. W. R. Ham,  
Secretary.

Portland House,  
Stag Place,  
LONDON SW1E 5BJ.  
23 March 1976

## Brown Bros. reaches its target

FOR 1975, profits of Brown Brothers Corporation are on target at £16.8m. and show an advance of 43 per cent over the previous year. Continued progress was made in the second half with further significant improvement in the financial position, including overdrafts virtually halved to £1.8m.

Earnings are shown at 1.78p (1974 1.25p) and 1.25p fully diluted) per 10p share. The final dividend is 0.4p for a net total of 0.8p against 0.3p.

The group is engaged in motor component distribution and engineering. The Dana Corporation, of the U.S., has a controlling interest in the company.

	1975	1974
Turnover	£1.184	£1.090
Trading profit	£0.253	£0.182
Interest paid	£0.010	£0.012
Profit before tax	£0.243	£0.170
Taxation	£0.075	£0.057
Minorities	£0.002	£0.002
Extra-ord. debits	£0.002	£0.002
Attributable	£0.168	£0.113
Dividends	£0.040	£0.030
Retained	£0.128	£0.083

### comment

Brown Bros. trading picture has remained strong during 1975 with a full year sales rise of 11 per cent., following a 17 per cent. rise at the interim stage, leaving trading profits just 5 per cent. ahead. But the group has cut back working capital requirements by £1.4m., thanks to the main to a £1.2m. increase in creditors (stemming from extended credit/promotional deals with manufacturers). As a result, bank overdrafts are £2m. lower and a 37 per cent. drop in interest charges has jacked up pre-tax profits by 43 per cent. in line with the January forecast. The group intends to squeeze a little more cash out of working capital this year but the present drift of policy is to increase margins by developing the motor trade content of distribution activities (at present 84 per cent.) still further, incorporating more own brand products. The trading links with Dana Corporation, now the majority shareholder, remain unquantified at this stage, although the group is talking of "substantial" overall profits growth in the years to 1980. The shares edged up higher to 151p last night, where p/e 8.3 and a yield of 6.2 per cent. leave little scope for short-term enthusiasm.

## Progress at AB Electronic

PROFITS before tax of AB Electronic Components improved from £138,229 to £168,313 in the 27 weeks ended January 9, 1976, with stated earnings per share up from 2.5p to £3.2p. for the previous year pre-tax profits were £379,205 and earnings 6.7p.

The net interim dividend is again 1.05p and the directors anticipate a total of 4.10p for the year—the same as in 1974-75.

They report that unit sales were substantially lower than for the corresponding period but, due to inflation, turnover was approximately the same. The slight increase in profitability is a reflection of increased operating efficiency and continued tight control of overheads.

The second half has started with an exceptionally low level of demand, resulting in short-time working for many employees.

The group has, however, remained profitable in spite of increased wages and other rising expenses and there are now encouraging indications of an improvement in business in national sales.

Much progress has been made in reducing reliance on any one

## Mid-term improvement at Ricardo

Pre-tax profit of Ricardo and Co. Engineers (1927) finished the six months to December 31, 1975, up from £153,921 to £173,946.

Earnings per 25p share are given at 8.8p, compared with 7.3p and the interim dividend is held at 1.875p net. Last year, from profits of £340,146, a total payment of 3.3175p was made.

Chairman, Mr. J. H. Pitchford reports that the world situation has changed little in the past year, in so far as it affects the internal combustion engine industries, "although there may now be a glimmer of light ahead." The company has managed to maintain its position and, as the hoped-for improvement develops, it will be "well placed" to take advantage.

### comment

Ricardo's trading picture has remained strong during 1975 with a full year sales rise of 11 per cent., following a 17 per cent. rise at the interim stage, leaving trading profits just 5 per cent. ahead. But the group has cut back working capital requirements by £1.4m., thanks to the main to a £1.2m. increase in creditors (stemming from extended credit/promotional deals with manufacturers). As a result, bank overdrafts are £2m. lower and a 37 per cent. drop in interest charges has jacked up pre-tax profits by 43 per cent. in line with the January forecast. The group intends to squeeze a little more cash out of working capital this year but the present drift of policy is to increase margins by developing the motor trade content of distribution activities (at present 84 per cent.) still further, incorporating more own brand products. The trading links with Dana Corporation, now the majority shareholder, remain unquantified at this stage, although the group is talking of "substantial" overall profits growth in the years to 1980. The shares edged up higher to 151p last night, where p/e 8.3 and a yield of 6.2 per cent. leave little scope for short-term enthusiasm.

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Profit on realisation of investments, charging £4,332,000 (last year £3,739,000) respect of unrealised depreciation, amount £2,717,000 which was approximately twice for the corresponding period in 1974.

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The total taxation charge, at £12,440,000, absorbed an exceptionally high proportion of the profit. This mainly arises from the fact that no part of the investment depreciation available for relief until realised and losses on Group operations, mainly in Australia, also provide no immediate tax relief.

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By: J. R. STEWART  
23 March 1976

Industrial and commercial companies' net revenue at £4,583,000 showed a decrease of approximately £4 million of which the major part was attributable to lower earnings by Axon Corporation. The recession in the United States of America affected the construction industry particularly and Axon's steel manufacturing and distributing divisions suffered from an abnormally low order book. In the United Kingdom, Alumac's earnings were adversely affected as a result of lower turnover.

The mining companies' operations resulted in a loss of £302,000 representing an adverse swing of approximately £10.1 million. Just over £9 million of this downturn was attributable to the Group's Australian mining companies, which, due to a combination of circumstances, are facing a difficult year. The copper mines, Mt. Lyell and Gunpowder, incurred significant losses due to increased costs and depressed metal prices; additionally, the former was unable to repeat the profitable forward selling policy which had a marked effect on its results in the previous period. Renison's earnings were badly affected by export quotas imposed by the International Tin Council and by reduced domestic consumption. Mt. Goldsworthy's results were affected by lower shipments and increased costs. A loss was also incurred by the Wheel Jane mine in Cornwall, mainly due

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# A. P. Cement recovers and hits £42m.

1975 figures of Associated Portland Cement Manufacturers show that the group has made a full recovery from a particularly depressing previous year. Profits before tax rose to £22.5m. compared with £12.5m. in 1974 and with £10m. in the preceding period. Earnings are up from £10.5m. to £21.5m. per £1 stock unit. The dividend is raised from 8.5p to 10.5p net, with a final 2.5p. available for appropriation at £16m. compared with £11m. in 1974. In the U.K. there is a sharp recovery in sales, mainly because of savings and more realistic pricing. Home deliveries fell by 4.7 per cent. to 1.1m. tonnes and exports by 2.5 per cent. to 0.7m. tonnes. Profits of overseas subsidiaries continue to show overall improvement compared with 1974. In South Africa, Blue Cement had a full year's profit of £10.5m. Last year's profit was £8.5m. In Nigeria, Hubert Davies, a subsidiary in July, following the taking up by Federal Government of additional shares: the proportion of West African Portland Cement's profits the year before tax, has been used in the share of 1975.

	1975	1974
Revenue	107,720	97,500
Cost of sales	85,200	75,000
Gross profit	22,520	22,500
Operating expenses	10,000	10,000
Operating profit	12,520	12,500
Finance income	1,000	1,000
Finance charges	(1,000)	(1,000)
Profit before tax	12,520	12,500
Tax	(2,000)	(2,000)
Profit after tax	10,520	10,500

First half earnings are shown to have dropped from 1.25p to 0.5p per 25p share. As known the interim dividend is held at 0.875p net costing £103,421. Last year's total payment was 2.9548p, pre-tax revenue £512,563, and earnings per share 1.5p.

Half year 1975 1974

	1975	1974
Revenue	53,860	48,750
Cost of sales	41,200	35,000
Gross profit	12,660	13,750
Operating expenses	6,000	6,000
Operating profit	6,660	7,750
Finance income	500	500
Finance charges	(500)	(500)
Profit before tax	6,660	7,750
Tax	(1,000)	(1,000)
Profit after tax	5,660	6,750

On March 23 Witton Investment purchased for cancellation 22,082,887 nominal of its 61 per cent. debenture stock at 99.0/105 at 158.1 per cent. There now remains £1,737,163 stock outstanding.

## Midway fall at London Shop

PRE-TAX revenue for the half year to October 31, 1975 of London Shop Property Trust fell from £298,436 to £136,974 after no contribution from housebuilding compared with £100,000 last time, and higher net interest payable of £453,000 against £384,500.

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## Garton Cooper pays same net

TAXABLE profits of Garton Cooper, the fasteners and pressings group, declined to £644,682 in 1975 compared with £874,595 in 1974, after being ahead from £307,000 to £319,000 at half-way.

Earnings per 10p share are shown to have improved slightly from 9.5p to 9.5p. A final dividend of 2.64p makes a net total of 4.84p, as previously—equal to 7.138p gross, against 7.047p.

## Scottish Metro. first half rise

FOR THE six months to February 13, 1976 pre-tax profits of Scottish Metropolitan Property Co. show a £102,650 advance to £446,406.

Stated earnings per 20p share are up from 1.15p to 1.17p and the interim dividend is raised from an adjusted 0.727p to 0.8p net at a cost of £218,994 (£197,268). Last year's total payment was 1.58p from profits of £320,068.

Net revenue from properties for the half year increased from £1.03m. to £1.19m. while other income was £22,778 (£136,200). Reduction in the latter reflects lower interest received from deposits, some of which have been utilised in acquiring new property investments and in the current pre-let developments which will be completed, and be income producing, during the next two years. Interest charges and management expenses were £310,745 (£323,132).

After tax of £212,472 (£123,500) net before credits of £32,470 (£32,180) in respect of transfers from reserves relating to the development programme and to extraordinary and exceptional items, less tax thereon, profits for the six months amounted to £234,024 compared with £218,946.

Statement, Page 26

## Riverview Rubber 100% scrip

The directors of Riverview Rubber Estates are declaring a first interim dividend of 8 per cent. gross for 1976, and a one-for-one scrip issue is also proposed.

In the absence of unforeseen circumstances, it is expected that the annual gross rate of dividend on the increased capital is unlikely to fall below 10 per cent.—last year's total of 17 1/2 per cent. included a first interim of 5 per cent.

# \$50,000,000 (Canadian) European Coal and Steel Community 9% Notes Due 1983

Principal and interest will be payable in Canadian dollars in Montreal without deduction for, or on account of, withholding taxes imposed by Member States of the European Communities; principal and interest will also be payable in certain cities outside Canada, all as set forth in the Offering Circular.

Interest will be payable annually on March 15, commencing in 1977.

MORGAN STANLEY INTERNATIONAL	BANQUE DE PARIS ET DES PAYS-BAS
BANCA COMMERCIALE ITALIANA	SWISS BANK CORPORATION (OVERSEAS)
DEUTSCHE BANK	S. G. WARBURG & CO. LTD.
ALGERIENNE BANK NEDERLAND N.V.	A. E. AMES & CO.
ANDRESEN BANK A/S	BAER SECURITIES CORPORATION
BANCA NAZIONALE DEL LAVORO	BANCO DI ROMA
THE BANK OF BERMUDA	BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS)
BANQUE BRUXELLES LAMBERT S.A.	BANQUE FRANCAISE DU COMMERCE EXTERIEUR
BANQUE GENERALE DU LUXEMBOURG S.A.	BANQUE DE L'INDOCHINE ET DE SUEZ
BANQUE INTERNATIONALE A LUXEMBOURG S.A.	BANQUE LAMBERT-LUXEMBOURG S.A.
BANQUE NATIONALE DE PARIS	BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET
BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG	BANQUE ROTHSCHILD
BANQUE WORMS	BANQUE DE L'UNION EUROPEENNE
BAYERISCHE VEREINSBANK	BARING BROTHERS & CO.
BERLINER HANDELS-UND FRANKFURTER BANK	H. ALBERT DE BARY & CO. N.V.
CAISSE CENTRALE DES BANQUES POPULAIRES	JOH. BERENBERG, GOSSLER & CO.
JAMES CAPEL & CO.	BROWN HARRIMAN & INTERNATIONAL BANKS LTD.
CHRISTIANIA BANK OG KREDITKASSE	CAISSE DES DEPOTS ET CONSIGNATIONS
COMPAGNIA FINANZIARIA INTERMOBILIARE S.p.A.	CAZENOVE & CO.
CREDIT COMMERCIAL DE FRANCE	COMMERCEBANK
CREDIT INDUSTRIEL ET COMMERCIAL	CITICORP INTERNATIONAL BANK
CREDIT SUISSE WHITE WELD	CREDIT LYONNAIS
DEN DANSKE LANDESBANK	CREDIT DU NORD ET UNION PARISIENNE
DEWAAT & ASSOCIATES INTERNATIONAL S.C.S.	CREDIT ITALIANO
DRESDNER BANK	CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE
FIRST BOSTON (EUROPE)	CREDIT LYONNAIS
GIROCENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN	CREDIT DU NORD ET UNION PARISIENNE
HANDELSBANK N.V. (OVERSEAS) LIMITED	CREDIT ITALIANO
ISTITUTO BANCARIO SAN PAOLO DI TORINO	CREDIT SUISSE WHITE WELD
KIDDER, PEABODY INTERNATIONAL	DEN NORSKE CREDITBANK
KREDITBANK N.V.	DEUTSCHE GIROZENTRALE
LAZARD BROTHERS & CO.	DEUTSCHE KOMMUNALBANK
MANUFACTURERS HANOVER	DOMINION SECURITIES CORPORATION HARRIS & PARTNERS
R. MITTLERSEHL, SOHN & CO.	EUROPEAN BANKING COMPANY
NEDERLANDSCHE HUIDENSTANDSBANK N.V.	FINACOR
THE NIKKO SECURITIES CO. (EUROPE) LTD.	ROBERT FLEMING & CO.
ORION BANK	GREENSHIELDS
PIERSON, HEDRICK & PIERSON N.Y.	HAMBROS BANK
PIERSON, HEDRICK & PIERSON N.Y.	HILL SANCHEZ & CO.
J. HENRY SCHRODER WAGG & CO.	JARDINE FLEMING & COMPANY
SOCIETA FINANZIARIA ASSICURATIVA	KLEINWORT, BENSON
STRAUSS, TURNBULL & CO.	KUN, LOEB & CO.
UNITED BANK OF SWITZERLAND (SECURITIES)	KREDITBANK S.A. LUXEMBOURGEOISE
UNITED OVERSEAS BANK S.A. GENÈVE	LAZARD FRERES & CIE
WARBURG PARIBAS BECKER INC.	LAZARD FRERES & CO.
	LEOD, YOUNG, WEIR & COMPANY
	MERRILL LYNCH INTERNATIONAL & CO.
	SAMUEL MONTAGU & CO.
	MORGAN GRENPELL & CO.
	NESBITT, THOMSON
	SAL OPPENHEIM JR. & CIE.
	PICTET INTERNATIONAL
	N.M. ROTHSCHILD & SONS
	SOCIETE GENERALE
	SOCIETE GENERALE DE BANQUE S.A.
	SUMITOMO WHITE WELD
	SVENSKA HANDELSBANKEN
	UNION DE BANQUES ARABES ET FRANCAISES—U.B.A.F.
	VERBINS-UND WESTBANK
	WESTDEUTSCHE LANDESBANK
	GIROZENTRALE
	WOOD GUNDF

March 23, 1976

All of these Securities have been sold. This announcement appears as a matter of record only.

## 2,000,000 Shares

# J. P. Morgan & Co. Incorporated

## Common Stock

(\$2.50 Par Value)

MORGAN STANLEY & CO.  
Incorporated

SMITH BARNEY, HARRIS UPHAM & CO.  
Incorporated

BACHE HALSEY STUART INC.  
Incorporated

THE FIRST BOSTON CORPORATION

BLUTH EASTMAN DILLON & CO.  
Incorporated

DILLON, READ & CO. INC.

DONALDSON, LUFKIN & JENRETTE  
Securities Corporation

DREXEL BURNHAM & CO.  
Incorporated

GOLDMAN, SACHS & CO.

HORNBLLOWER & WEEKS-HEMPHILL, NOYES  
Incorporated

E. F. HUTTON & COMPANY INC.

KEEFE, BRUYETTE & WOODS, INC.  
Incorporated

KIDDER, PEABODY & CO.  
Incorporated

KUHN, LOEB & CO.

LAZARD FRERES & CO.

LEHMAN BROTHERS  
Incorporated

LOEB, RHOADES & CO.

MERRILL LYNCH, PIERCE, FENNER & SMITH  
Incorporated

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REYNOLDS SECURITIES INC.

SALOMON BROTHERS

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Incorporated

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BANK MEES & HOPE NV

BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET

BASLE SECURITIES CORPORATION

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ROBERT FLEMING

KLEINWORT, BENSON  
Incorporated

KUWAIT INVESTMENT CO. (S.A.K.)

LAZARD BROTHERS & CO.,  
Limited

MORGAN GRENPELL & CO.  
Limited

NEW COURT SECURITIES CORPORATION

J. HENRY SCHRODER WAGG & CO.  
Limited

SKANDINAVISKA ENSKILDA BANKEN

SOGEN-SWISS INTERNATIONAL CORPORATION

UBS-DB CORPORATION

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ARNHOLD AND S. BLEICHROEDER, INC.

GIROZENTRALE

DAIWA SECURITIES AMERICA INC.

THE NIKKO SECURITIES CO.  
International, Inc.

NOMURA SECURITIES INTERNATIONAL, INC.

ULTRAFIN INTERNATIONAL CORPORATION

YAMAICHI INTERNATIONAL (AMERICA), INC.

SUEZ AMERICAN CORPORATION

March 18, 1976.

All of these Securities have been sold. This announcement appears as a matter of record only.

## \$150,000,000

# J. P. Morgan & Co. Incorporated

## 8% Notes Due 1986

Interest payable March 15 and September 15

MORGAN STANLEY & CO.  
Incorporated

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THE FIRST BOSTON CORPORATION

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SUEZ AMERICAN CORPORATION

March 18, 1976.



## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Halcyon days at Bayernverein

BY NICHOLAS COLCHESTER

BONN, March 23.

THAT 1975 was a most profitable year for the banking industry in West Germany is underlined to-day by the results of the Bayerische Vereinsbank, the largest publicly quoted commercial bank after "the Big Three". The bank boosted its after tax profit by 28 per cent. to DM72.6m. and has decided to raise its dividend from DM9 to DM10 per DM50 share.

The increase in after tax profit does not do justice to the bank's success last year, because much was done for reserves and risk provision on the way to the bottom line. Pension reserves, for instance, were stocked up by DM37.8m. to DM146m. in line with new Government regulations. The management insists, however, that the doubling of the bank's tax bill in 1975 to DM59.9m. was not indicative of a covert doubling of profit.

The year's success owed more to interest rate margins and service income than to growth in business volume. The balance sheet total of the Bayerische Vereinsbank grew by 12.7 per cent. to DM25.79bn. but this was mainly due to the bank's mortgage business and to the powerful inflow of savings money which occurred right across West Germany last year. In banking business customer deposits grew by 7.7 per cent. to DM13.11bn. while credit to customers increased by 7.5 per cent. to DM9.5bn.

At the same time interest rate differential income rose by 12.4 per cent. to DM4.98m. while service income climbed by 22.2 per cent. to DM10.2m. The latter increase was due to increased participation in consortium loans and growing involvement abroad.

together with a marked increase in securities trading. The resulting increase in operating profit was further boosted by good trading profit and the absence of any need to write off security investments.

Dr. Werner Premauer, the chief executive of the bank, says that Bayerische Vereinsbank has yet to detect much of a pick up in loan demand as a result of the economic recovery. He reckons, however, on a small increase for the year as a whole. He expects the bank's profit to be under greater pressure this year because of a squeeze on interest rate margins. He does not expect the overall interest rate trend to move upwards until later in the year.

Bayerische Vereinsbank has made notable efforts to expand its overseas operations. During 1975 it opened branches in Chicago and Los Angeles.

Mary Campbell writes: Amex Bank, formerly Rothschild Intercontinental Bank, has announced consolidated profits before tax of \$2.94m. for the 18 months to end-September 1975. The comparable figure for the year to end-September, 1974 was \$1.3m. After taxation but before extraordinary items profits were \$1.1m. and \$0.4m. respectively.

The bank changed to an end-December reporting date after it was taken over by Amex International. The business of Amex International has not been consolidated with Amex Bank.

The pre-tax profit figure above has been reached after provisions for loan losses. The decision to publish loan loss provisions is new—in prior years the figure had been published.

## Moulinex profits jump

BY RUPERT CORNWELL

PARIS, March 23.

THE FAST-GROWING French domestic appliance manufacturer Moulinex to-day reported a rise of almost one-third in parent company net profits for 1975. It plans an unchanged dividend of Frs.3.00 per share, but on a capital expanded by Frs.13m. Net earnings rose last year to Frs.67.3m. or Frs.61.7m. on an adjusted basis, nearly 33 per cent. higher than the Frs.45m. achieved in 1974.

The figure was reached after depreciation charges of Frs.30m. compared with Frs.75m. in 1974. It does not however take into account the distribution of a total Frs.28m. of profits to the group's personnel.

Gross cash flow also showed a healthy rise of some 13 per cent. to Frs.202m. from a year earlier, representing about 17 per cent. of 1975's turnover of Frs.1.2bn.

## Nippon Steel in aluminium study

NIPPON STEEL Corporation country.

TOKYO, March 23.

THE BIGGEST steel mill here, said it has been asked to participate in a proposed new aluminium refinery in Japan, the Mitsubishi Light Metal Company, stake in Mitsui Aluminium Industry. NSC said that it will study the proposal from the Mitsubishi aluminium smelter. NSC is also group which plans to set up a big partner in a Japanese new company to take over the aluminium fabricating company, from Sky Aluminium, along with Mitsubishi Chemical Industries, America's Kaiser group and one of the present five major Shouwa Denko Kaisha of Japan, aluminium smelters in this Reuter

## Sharp fall in output puts Cockerill deep in the red

BY DAVID CURRY

BRUSSELS, March 23.

COCKERILL, which produces around 35 per cent. of Belgium's steel, plunged nearly B.Frs.40m. (150m.) into the red last year as output slumped in its Belgian and French plants to 4.84m. tonnes against 5.625m. in 1974. Output the previous year was also badly disrupted by strikes.

This year, with Belgian steel output still running 23 per cent. down on the same period 12 months ago, Cockerill looks forward only to a timid recovery.

The loss takes into account income from sales of assets and portfolio holdings during 1975, including the B.Frs.3.13m. (€40m.) received from the sale of Cockerill's remaining 2.2 per cent. stake in the coastal steel-maker Sidmar to the Luxembourg company Arbed which itself has turned in losses of more than B.Frs.30m. for 1975. Depreciation in 1975 was B.Frs.1.329bn. against

B.Frs.5.52bn. the previous year. Cockerill has limped through the year suffering from sharp increases in raw materials (around 47 per cent. from 1974), coking coal (up some 40 per cent.) and wage costs (some 17 per cent.). Selling prices for its products have been as much as 40 per cent. below the best 1974 levels and the competition from non-EEC producers, particularly Japan, Spain and Eastern Europe, has hit Cockerill particularly hard because of its company's restricted heavy metal and consequent heavy dependence on exports.

While resorting to extensive short-time working the company has not got through the year without dismissing workers. European steel companies anyway do not have the freedom to hire and fire which their American counterparts enjoy because of the heavy political hand on their

activities while Cockerill in addition has a particularly difficult regional situation in contact with its 33,000 workers. The 1975 annual report is the backbone of the Walloon (French-speaking) part of Belgium which since the war has been consistently outstripped by the growth of new industry—and a new nationalism—in Flanders. The importance to the Walloon economy gives it a financial life-line in the shape of investment cash from Government agencies but also restrains its ability to apply drastic remedial action in time of crisis.

Over the past five years Cockerill has invested B.Frs.200m. in the region, a considerable part of this being the conversion from the Thomas to the LD process.

Cockerill's particular status has come to the fore recently when it was announced that a new steel grouping was being

formed between German, Dutch and Luxembourg producers. The Luxembourg participant, Arbed, took Sidmar, its Belgian subsidiary into the group which consisted of companies which looked to Germany as their major market and had German stakes. This left Cockerill and the smaller Walloon producers alone out in the cold amongst the Bendix producers, the strong implication being that they should develop their destiny in common with French steel producers.

However, the German group still needs the blessing of Brussels' commission and may not eventually take the shape originally envisaged. Further, the Walloon industry and the French and Luxembourg industries are still linked by important common shareholdings, notably the leading stakes held in both Cockerill and Arbed by

Société Générale de Belgique and the strong European holdings in Arbed and the French steel industry.

The Brussels-Lambert Holding company, the Frete group and the Paribas Holding company in Belgium, Cobepa, also provide a network of closely-linked holdings involving Cockerill, the smaller Walloon companies and the French steel sector.

Cockerill produces flat products, wire rod, special steels, forgings and foundry products at Liege and long products at Parthenay in Belgium. Across the frontier in France it has strip facilities at Rehon and special steel capacity at Hamont. At Seraing near Liege the company's mechanical engineering division has gone through the depression with full order books (particularly promising in the nuclear field), but for the past two weeks this division has been on strike.

## TDK comes courting

BY B.H. COCHRAN

FROM AN AVERAGE OF THE FIRST HALF OF 1975 TO THE SECOND, TDK

has seen its share price up to £7,000 a share. The company, which is well in advance of the Dow Jones average.

However, TDK's reckons that wider use of its performance and price could enhance the rating.

Yesterday's presentation London under the auspices of the Japanese Trade Mission, November 23, 1975, of TDK stood at only 1 per cent. of the equity.

As a pioneer in ferrite TDK describes as materials indispensable electronics industry.

heavily involved as a supplier for makers of T-rans, transistors and radio sets, and more so to the cyclical downturn in areas in 1974 and 1975.

come fell from ¥5.1bn. to ¥3.6bn. in 1975, through ¥3.6bn. to ¥1.8bn. in 1974-75.

However, in the five end-November, last, managed to reduce its loss as a percentage of share equity, from 125 to 100 per cent. in 1975.

Japanese companies had found it easier to survive had paid the same amount their balance sheets.

Now TDK is reaping the fruit of its recovery, with lower interest rates, lower taxes and expected to achieve a recovery in the current year.

The expiration of the special corporate tax is a but the main one is one reason why earnings average level was 63 per cent. in the first half, 93 per cent. in the second and current operating at full capacity.

The result is a forecast range of ¥63 to ¥80 in 1976, the company estimates a consolidation, which is mandatory for Japanese companies from 1977, could further 20 per cent. or a 10 per cent. drop in share price.

They point out that Sony's expensive—probably forgotten Pioneer Electric seems to be cheaper in p.tive p.e. terms.

## Recovery Bradmill Industries

By James Forth

SYDNEY, March 23.

BRADMILL INDUSTRIES, large textile group, at strong recovery in the 1975 half year, boosting its profit from \$A28,651 to \$A23,300, or 3.3 per cent.

Sales rose 21 per cent. to \$A23.3m. in the 1975 half year and puts the company on the way to top \$A24m. profit of 1975-76.

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## Recovery forecast for PLM

BY WILLIAM DUFFORCE

STOCKHOLM, March 23.

IN THE final annual report to shareholders for 1975 managing director Ulf Laurin forecasts a profit recovery for PLM. Swedish packaging and waste treatment concern, during this year. He anticipates pre-tax earnings of at least Kr.65m. (€7.7m.) and a 7 per cent. increase in turnover to Kr.1.58bn. (€122m.). Net earnings per share are expected to reach Kr.13.3, an improvement of 30 per cent.

The forecast compares with a pre-tax figure of Kr.45.5m. for 1974, a year in which earnings tumbled from the high level reached the previous year. Net earnings per share fell from Kr.22 to Kr.10, while the return on capital employed dropped to 7.9 per cent. from 15.3 per cent. Laurin described at the time as meeting the management's long-term target.

The final report attributes the 1975 earnings setback to the general economic recession, which resulted among other things in a drop in stock profits from Kr.31.5m. to Kr.7.5m. and to the accelerating decline in the glass division, where a 1974 pre-tax profit of Kr.12.5m. was changed into a Kr.3.4m. loss.

The glass division's problems arise from the collapse in demand for disposable bottles due at least in part to pressure from the environmental lobby. At the end of the year PLM decided to close down its glass works at Surte over a period of two to four years. Listed as an extraordinary item in the final accounts is depreciation of Kr.9.7m. on the works, which would effectively cut the company's 1975 pre-tax earnings to Kr.35.8m. compared with Kr.118.5m. in 1974.

PLM has expanded out of the Swedish packaging market, (which now accounts only for just over one-third of its trading) by penetrating the northern EEC

countries with its packaging materials and by buying up companies in the waste disposal and recycling business.

The performances of the acquisitions have varied. PLM Seibergs, which has refused local contracts with 25 local Swedish authorities covering about one-fifth of the population, showed the best earnings improvement last year, while profits fell in the recycling divisions.

Capital investments last year amounted to Kr.145.6m. (€17.2m.), an increase of nearly Kr.65m. over 1974, and are expected to be just under Kr.10m. this year. The concern issued a Kr.30m. debenture last year and took up a DM15m. foreign loan from Long term loans. The company's 1975 dividend of Kr.46.2m. will interest charges at Kr.47m. were up by the end of the year were just under Kr.150m.

working capital needs of the 30 companies in the Statsfoeretag group, which have capital investment plans involving an expenditure of Kr.5.5bn. (€550m.) during the four-year period 1976-1979. The group's total capital needs during the period are put at Kr.11.5bn. (€1.15bn.).

Statsfoeretag has been steadily expanding its foreign borrowing under government encouragement. Since the beginning of 1975 it has already taken up bond issues of 20m. units of account, \$30m. Swiss Frs.30m. and a \$20m. medium-term loan.

## Statsfoeretag floating Fls.75m. bond issue

BY WILLIAM DUFFORCE

STOCKHOLM, March 23.

STATSFOERETAG, the Swedish State holding company, is floating a Dutch guilders 75m. bond issue on the Dutch capital market. It will be a private placement led by Raboamerica with Hambros and Sweden's State-owned PK bank acting as co-managers. The team will be 15 years later, according to Statsfoeretag, the coupon has not yet been fixed.

The proceeds are not earmarked for any specific purpose, but will go to meet the investment and

working capital needs of the 30 companies in the Statsfoeretag group, which have capital investment plans involving an expenditure of Kr.5.5bn. (€550m.) during the four-year period 1976-1979. The group's total capital needs during the period are put at Kr.11.5bn. (€1.15bn.).

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## Saga comes to market

SAGA PETROKEMI, petrochemicals subsidiary of Norway's Saga Petroleum, has raised a \$35m. seven-year loan on the Eurocurrency market to help finance its participation in the petrochemicals complex being built at Bamble, East Norway, where its partners are the State-controlled Norsk Hydro and Statoil. Norway's State oil company, writes Fay Gjerster from Oslo.

The loan, signed yesterday in Oslo, has been arranged jointly by the Chase Manhattan Bank and Den Norske Creditbank, with the participation of 11 other banks. It is a multi-currency loan, denominated in U.S. dollars, and terms are 11 per cent. above London Inter-Bank Rate.

Saga Petroleum's total commitment to the Bamble project is estimated at some Kr.550m. (€77.3m.), of which about Kr.350m. will be provided from equity. The rest will be borrowed in Norway and abroad.

## Far East stock exchanges oppose merger proposals

A FAR EAST stock exchanges members meeting generally opposed Securities Commission proposals on the possible merger of the four Hong Kong stock exchanges.

The exchange is still open to negotiation and aims to be constructive by making its own suggestions, he said.

A spokesman for the Kam Ngan Stock Exchange said while some members opposed the merger proposals at a meeting last week, the exchange is still receiving the written views of members, including those not at the meeting and is not yet in a position to give the overall opinion.

A Securities Commission spokesman said the Commission has received negative replies on the proposals in its discussion paper from the Hong Kong and Kowloon stock exchanges.

The replies did not contain alternative suggestions on the merger question, he said.

The Commission aims to hold a further meeting with representatives of the four exchanges when all four have submitted their views on the paper.

## Japanese bond rules

TOKYO, March 23.

JAPANESE UNDERWRITERS and banks have relaxed restrictions on Japanese companies' notations on the domestic capital market to try to reduce overseas bond market interest rates, the underwriters association said.

The old rules downgraded or suspended from borrowing companies which reported deficits before tax and special items in the previous six-month terms, the association said.

The modified standards permit these companies to issue industrial bonds, unless the deficit for the two terms exceeds 30 per cent. of their total net assets.

The measure is necessary because Japanese companies have increasingly shifted interest to overseas bond markets, where issue standards are more liberal than in Japan, the association said.

However lower interest rates and the urge to diversify funding sources also induce companies to raise funds overseas, the measure will only partly restrain foreign bond notations, it added.

## Upsurge Kiwi Internatn

By James Forth

SYDNEY, March 23.

KIWI INTERNATIONAL achieved its best performance in the February half when profit leapt from \$A to \$A27,000. Sales rose 10 per cent. to \$A19m. to \$A interim dividend is edged up from 2 cents to 2.5 cents. Last year it paid a final 3 cents.

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## STATE OF SÃO PAULO

U.S. \$300,000,000

MEDIUM TERM LOAN

MANAGED BY

CITICORP INTERNATIONAL BANK LIMITED

MANUFACTURERS HANOVER LIMITED

BANKERS TRUST INTERNATIONAL LIMITED  
COMMERZBANK AKTIENGESELLSCHAFT  
FIRST CHICAGO PANAMA S.A.  
BANCO DO ESTADO DE SÃO PAULO S.A., LONDON BRANCH  
NORDEUTSCHE LANDESBANK INTERNATIONAL S.A., LUXEMBOURG  
CANADIAN IMPERIAL BANK OF COMMERCE  
HYPOBANK INTERNATIONAL S.A.

CHASE MANHATTAN LIMITED  
EUROPEAN BRAZILIAN BANK LIMITED (EUROBRAZ)  
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BANCO DO ESTADO DE SÃO PAULO S.A., LONDON BRANCH  
NORDEUTSCHE LANDESBANK INTERNATIONAL S.A., LUXEMBOURG  
HYPOBANK INTERNATIONAL S.A.  
REPUBLIC NATIONAL BANK OF NEW YORK

THE CHASE MANHATTAN BANK, N.A.  
THE FIRST NATIONAL BANK OF CHICAGO  
MANUFACTURERS HANOVER TRUST COMPANY  
EUROPEAN BRAZILIAN BANK LIMITED (EUROBRAZ)  
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AGENT

FEBRUARY 27, 1976

## SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Aquitaine 10pc 1985	103	104	American Express 4pc 87	78	80
Ashland 3pc 1987	94	95	Ashland 3pc 1988	92	94
Austrasian 10pc 1987	92	93	Bear Steels 4pc 1987	84	86
Banco do Brasil 10pc 1988	92	93	Bear Steels 4pc 1988	100	102
Banco do Estado de São Paulo 10pc 1988	102	103	Borden 10pc 1987	90	92
Banco do Estado de São Paulo 10pc 1990	102	103	Brooklyn 4pc 1987	73	75
Banco do Estado de São Paulo 10pc 1991	102	103	Canon Camera 7pc 1988	111	114
Conoco 3pc 1992	90	90	Canon Camera 7pc 1989	111	114
Consol. Foods 7pc 1981	90	91	Carnation 4pc 1987	82	84
Cutter Hammer 3pc 1987	102	103	Chevron 3pc 1988	101	102
Danco 10pc 1987	103	104	Citibank 10pc 1987	101	102
ERAP 5pc 1993	101	102	Eastman Kodak 4pc 1988	124	125
Esso 3pc 1986	90	90	Economic Lins. 4pc 1987	79	80
Esso 3pc 1987	90	90	Esso 3pc 1988	124	125
General Motors 5pc 1986	108	104	Firststar 3pc 1988	91	96
Granger 5pc 1983	100	101	Ford 3pc 1988	97	98
Granger 5pc 1984	100	101	General Electric 4pc 1987	84	84
New Zealand 9pc 1982	102	103	Gillette 4pc 1987	87	88
Pacific Light 3pc 1983	93	94	Gillette 4pc 1988	87	88
Pacific Light 3pc 1984	93	94	Gulf and Western 3pc 1988	29	30
Pacific Hydro 4pc 1986	95	99	Gulf and Western 3pc 1988	29	30
Queensland 3pc 1988	92	93	Harris 3pc 1987	82	83
Sears 4pc 1987	92	93	Harris 3pc 1988	82	83
Sears 4pc 1988	92	93	Harris 3pc 1989	82	83
Standard Oil Ind. 5pc 1986	100	100	Kaiser 3pc 1987	77	77
Standard Oil Ind. 5pc 1986	100	100	Kaiser 3pc 1988	100	102
Tenneco 7pc 1987	91	92	Kaiser 3pc 1989	100	102
Tenneco 7pc 1988	91	92	Kaiser 3pc 1990	100	102
Union 3pc 1987	93	94	Kaiser 3pc 1991	100	102
Valde 3pc 1985	102	102	Kaiser 3pc 1992	100	102
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## FINANCIAL TIMES SURVEY

Wednesday March 24 1976

## OVERSEAS CONSTRUCTION

The severe problems of the construction industry in the U.K. are mirrored in practically every industrialised country in the world. Government cutbacks have hit a major section of the business in most countries. The Middle East and other oil-rich regions offer about the only lifeline available.

CURRENT recession in of an all-round upturn. In countries but it appears the parts of Central and South America as well as Africa. But wherever the best opportunities lie for those construction industries which find themselves starved of domestic work, it has become clear that the search for business further afield has taken on a new urgency and that, in attempting for contractors and it is indeed to win contracts, some well-established ideas and techniques have come in for a great deal of reappraisal.

There have been some exceptions, such as Norway, where the building sector enjoyed a healthy 1975, although even here the outlook this year is regarded as uncertain. Still, in Scandinavia, Sweden expects a moderate rate of expansion for construction output in contrast to the downward trend of the early 1970s. Perhaps one of the happiest exceptions is Italy, where, despite all the economic problems, proposed expenditure on public work is due to rise considerably this year and overall building output is likely to rise by as much as 7 or 8 per cent, compared with 1975.

Elsewhere in the world, the construction fraternity has met with mixed fortunes. In the U.S., the fall in construction activity has reflected the overall economic situation but there are now hopes of an upturn on the way, though precisely when no one will hazard a guess. Japan The bleak picture has also been repeated in Japan, where the rapid growth of recent years has established a building industry of international status but where current economic difficulties have again taken their toll of construction work. The domestic pattern of building work naturally varies quite widely between different

countries but it appears the parts of Central and South America as well as Africa. But wherever the best opportunities lie for those construction industries which find themselves starved of domestic work, it has become clear that the search for business further afield has taken on a new urgency and that, in attempting for contractors and it is indeed to win contracts, some well-established ideas and techniques have come in for a great deal of reappraisal.

Nowhere has the rethinking of traditional attitudes been more necessary than among U.K. contractors and it is to their credit that many have apparently adapted well to the new conditions which overseas operations impose.

It would, of course, be wrong to give the impression that foreign ventures are a new experience for all U.K. contractors and indeed some of them are among the best established and most respected operators in the markets which are now providing major opportunities for expansion. While it may simply be that the vacuum, in terms of new work at home, has forced many builders to look overseas, there

is no doubt that British contractors of all shapes and sizes are approaching the challenge with considerable enthusiasm and not a little expertise and it is to be hoped that in their rush to obtain business abroad they do not underestimate the complexities and basic operational differences which new markets present. Competition for work is becoming intense

in the U.K. balance of payments in 1974-75, excluding Advisory Board was to be established represented official recognition that a greater, combined effort on the part of the industry 1975 rose to nearly £1.2bn, and, and Government was perhaps with some very large contracts recently announced both by approach, already well developed in some countries, will be awaited with interest.

But there is only so much that can be done for the contractors in helping them secure new business—assistance such as that provided by the Export Credits Guarantee Department in the U.K. is proving invaluable—and a great deal ultimately rests on their own readiness to tackle new fields and new methods of operation. In this respect, the U.K. construction sector as a whole—there are some notable and very large exceptions—may not measure up to some of its competitors.

It is now widely recognised that some of the giant projects emerging from areas like the Middle East and South America are simply beyond the financial and manpower resources of any one contractor, however large it may be, and that joint ventures and consortia and similar variations on the theme of co-operation are a growing necessity. The idea has been readily adopted in some other nations. In France, for example, a 17-strong consortium has been formed to undertake housing work in Iran while the five largest Japanese construction companies join together at home as well as overseas, though it must be stated that this arrangement has not always met with success. To the average U.K. contractor, the thought of a 17-strong consortium may quite

rightly raise a few horrified eyebrows but there must be a happy medium and, for the most part, U.K. builders and engineers have yet to demonstrate their readiness to join forces.

Here, the establishment of the Construction Exports Advisory Board may well prove a valuable stimulant. Its immediate task will be to advise on the selection and formation of consortia to undertake specific projects and, more generally, on ways in which additional resources within the construction industry and the professions can be harnessed to undertake overseas work. Such a body may well encourage many companies, with serious reservations about large overseas commitments, to step where they previously feared to tread.

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There are some serious doubts about just how long the boom can last in some of the nations which are now pursuing ambitious development plans based on their new-found but potentially fragile wealth and some contractors have made it clear that they are not interested in becoming involved. But, for the time being at least, a large proportion of the international construction world is focusing its attention on the developing nations at a time when it really has little choice. As a result the fight for business is gaining momentum and only those with a sound background knowledge of the markets they wish to penetrate and the ability to tailor their techniques and business methods accordingly can hope to make such ventures pay.

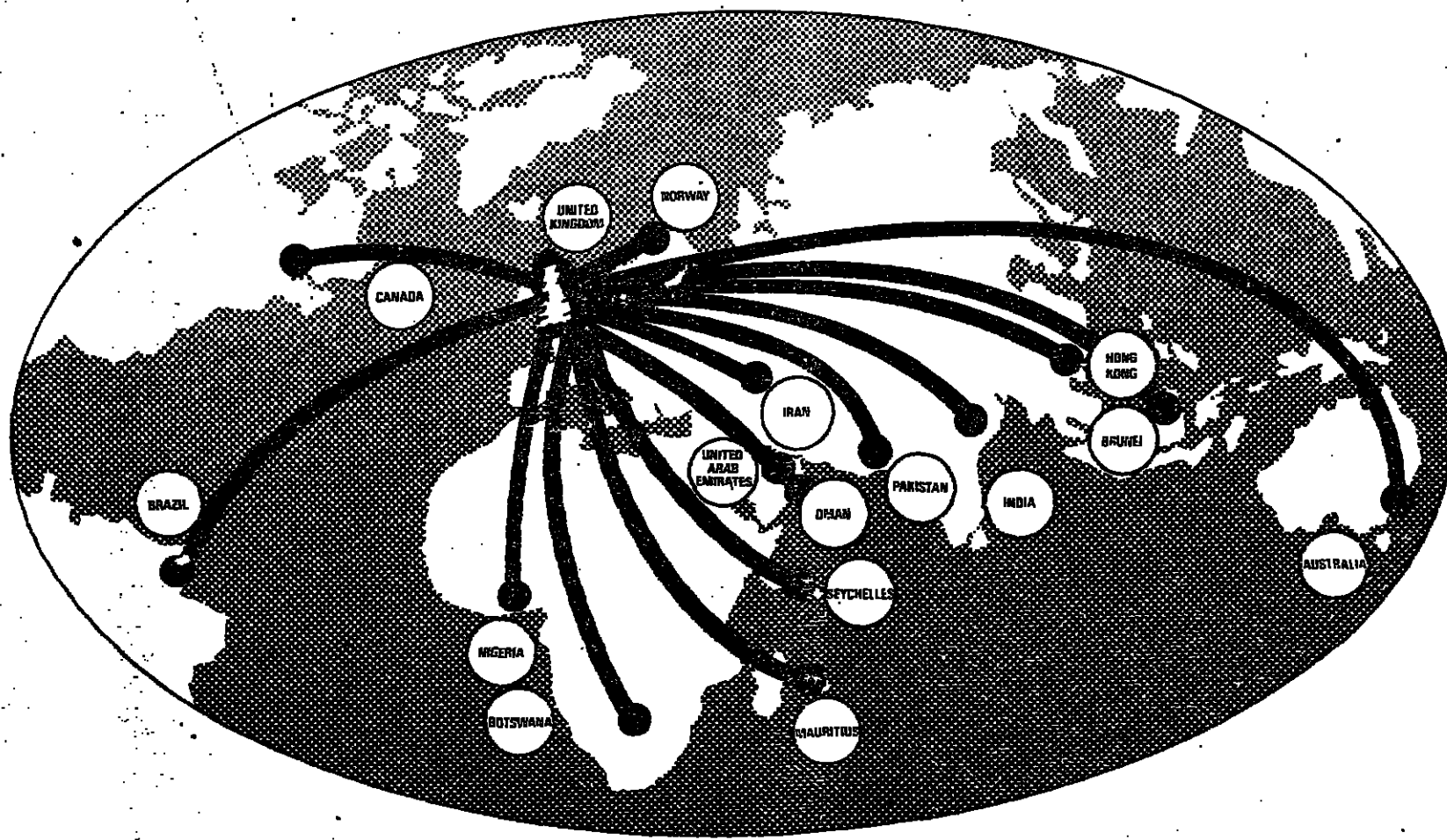
## Victim of world downturn

By Michael Cassell

## Ambitious

There are some serious doubts about just how long the boom can last in some of the nations which are now pursuing ambitious development plans based on their new-found but potentially fragile wealth and some contractors have made it clear that they are not interested in becoming involved. But, for the time being at least, a large proportion of the international construction world is focusing its attention on the developing nations at a time when it really has little choice. As a result the fight for business is gaining momentum and only those with a sound background knowledge of the markets they wish to penetrate and the ability to tailor their techniques and business methods accordingly can hope to make such ventures pay.

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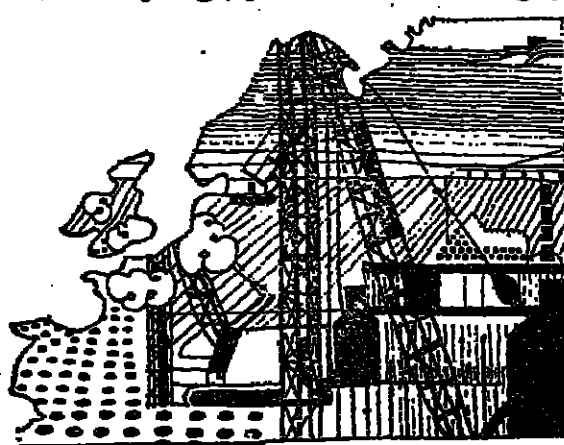


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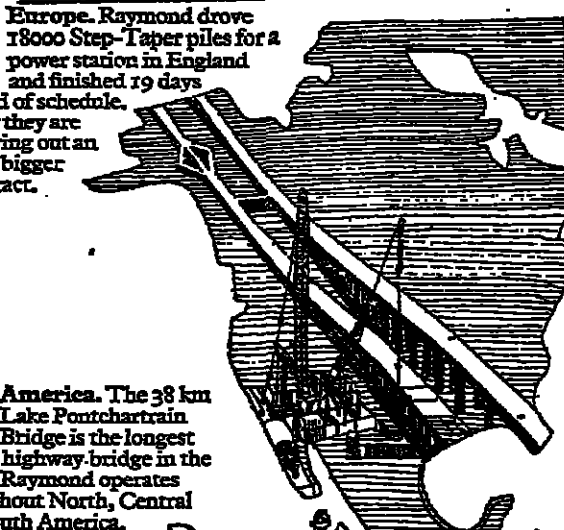
power stations, refineries and factories that have been built quicker and are lasting longer because of Raymond skill and know-how.



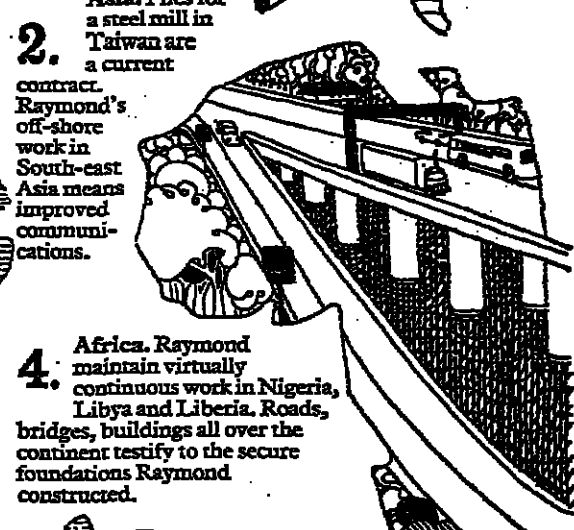
1. Europe. Raymond drove 18000 Step-Taper piles for a power station in England and finished 19 days ahead of schedule. Now they are carrying out an even bigger contract.



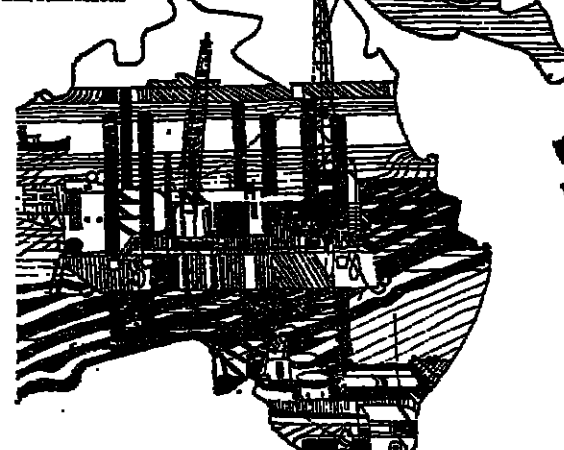
2. Asia. Piles for a steel mill in Taiwan are a current contract. Raymond's off-shore work in South-east Asia means improved communications.



3. America. The 38 km Lake Pontchartrain Bridge is the longest highway bridge in the world. Raymond operates throughout North, Central and South America.



4. Africa. Raymond maintains virtually continuous work in Nigeria, Libya and Liberia. Roads, bridges, buildings all over the continent testify to the secure foundations Raymond constructed.



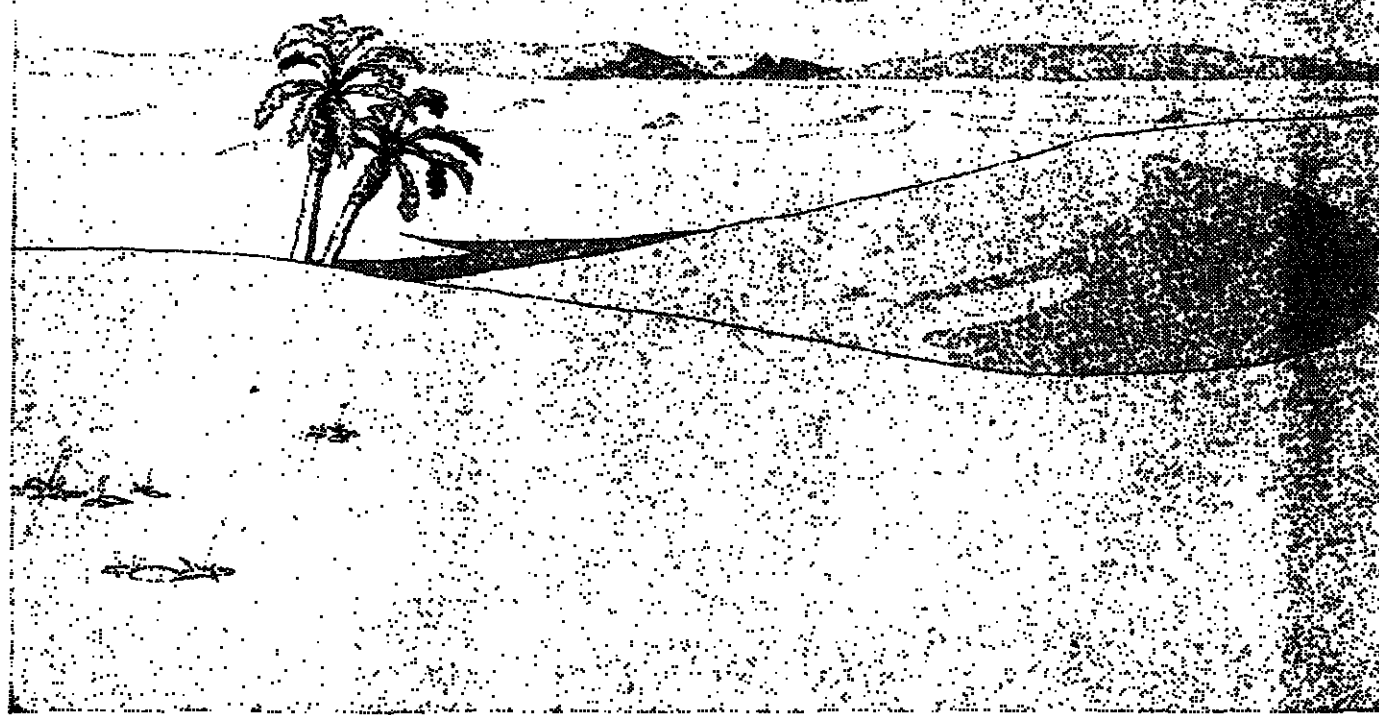
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## OVERSEAS CONSTRUCTION II

# World competition grows keener

BRITISH contractors are far from being alone in their efforts to secure work for themselves in markets around the world. While just a few years ago, many contractors felt no need or desire to search further afield than in their own or neighbouring countries for most of their work, the traditional pattern has now been upturned and the fight for business, where it can be found, has rarely been so intense.

A handful of major British construction companies have well established in markets throughout the world for many years and while the winning of contracts has never been an easy task, they have quickly come to realise that the challenge confronting them has taken on much greater proportions. In North America, Western Europe, Japan and Australasia workloads have been falling off and contractors from many nations have jumped at the chance to take on projects in countries which just a few years ago would have excited few people's imagination or interest but which today are supporting the type of public spending programmes that involve large volumes of potentially lucrative work.

Among the U.K.'s major competitors on the world contracting scene are the West Germans, offering a wide range of specialist contracting skills, the French, who have consistently found a reliable source of work in their ex-colonies, the Italians, renowned throughout the world for their tunnelling expertise, and the Dutch with their supremacy in dredging. The Eastern bloc-countries, too, are beginning to look further afield for work and have even gone so far as to team up with foreign contractors to win work.

Beyond Europe, the Japanese are becoming a major force on the international construction scene and are now beginning to make their presence felt in the Middle East, where apparently every self-respecting contractor must now have at least one project under way. The Americans, too, faced with a big downturn in workloads at home, are stepping up their efforts overseas, notably in the Middle East.

Much attention is also being given to the growing markets in South America, parts of Africa and the Far East. But it is still the Arab and neighbouring States which command most attention and, despite doubts about political instability and the longer-term prospects for work in the region, there is no shortage of competitors for current business. Apart from the more general uncertainties, the main differences in the degree of risk in operating in the Middle East region compared with other areas involve the size of individual contracts and the particular forms of payment required. In addition to the normal range of performance guarantees, a number of countries seek bonds which are liable on demand and without any need for explanation. Some of the longer established contractors have, however, managed to skirt round the need for such arrangements.

### Cover

In the U.K., the Export Credits Guarantee Department can play an important role in helping to offset the risks from political changes and non-payment. Last year it agreed to provide cover on 11 new contracts in the region with a combined value of about £230m. In the last year or so, ECGD has also been providing cover on performance bonds, a scheme available for operations throughout the world.

But while such disadvantages exist, contractors are only too well aware of some of the advantages for Middle East operations. Large advance payments are the form in several countries and these can invariably represent to 20 per cent. of the contract's final value, providing a very welcome boost to cash flow, a major problem in such difficult times.

The size of the contracts available and the guarantee constraints have until now ensured that the bulk of the work available has been undertaken by a handful of the larger operators from each country, the U.K. being no exception. But it would be misleading to suggest that every contract emanating from that part of the world can be measured in tens or hundreds of millions of pounds and opportunities do exist for the many medium-sized companies which wish to build up overseas activities.

While announcements of contracts in the Middle East seem to come through almost every day, one of the more recent developments seems particularly encouraging. Only last week the international division of Tarmac revealed that it had engineered a major breakthrough into the Egyptian market, which has effectively closed its doors to international contractors since the death of President Nasser.

The contract, for the construction of a road tunnel under the Suez Canal—a short distance north of Port Suez, is worth £30m, but it is expected that with all the ancillary work taken into account, the ultimate value will be well over £50m.

Egypt represents a major market for international contractors and consultants and, despite some lingering doubts that some may have about the reliability of clients, it seems likely that companies will be encouraged by Tarmac's success and, if allowed, will make real efforts to capitalise on the opportunities now opening up.

Another breakthrough was recently announced by a British company, though not by a contractor but by a major voice in the materials producing sector, which has as much to gain from participation in the developing nations as the contractors, consultants and architects.

London Brick, the world's largest brick producers, announced towards the end of last year that it too had managed to "crack" a market which had remained firmly closed to companies in its own field. The company said that it was to help build and operate a brick works in Iran, where what amounted to a total ban on foreign participation in brick manufacturing operations was in force. The total investment involved in the new venture will amount to around £35m and involves a joint venture with an Iranian company.

An Iranian public joint stock company, Tehran London Brick, has already been formed with an initial capital of £1.4m and the remainder of the initial investment of £2.1m is to be provided by means of a long-term loan from an Iranian State bank. The new works will initially produce 500,000 bricks a day but should then expand to more than 1m a day. It will be

### Success

Among the big U.K. names in the area, apart from Taylor Woodrow, Costain and Marples, are Laing and Wimpey—working together in Saudi Arabia—Tarmac, Sunley, Cementation and London and Northern, through Paulings. Consultants too have managed to win some substantial business in the Middle East, as they have been doing in many parts of the world with increasing success for some years.

Even while the Tarmac contract was being finalised, which itself involves a British consulting engineer, three other U.K. consulting groups were presenting proposals to the Egyptian Government for a 35-year development plan in the Canal zone. Reconstruction work worth about £50m is involved and all the groups involved in the recent presentations reported a favourable response from the authorities.

Michael Cassell

# The professions and their key role

IT IS inevitably the contractor who manages to grab much of the limelight when prestigious overseas orders are signed up and announced and all too often the contribution made by the wide range of specialists and consultants who make eventual building work possible can be overlooked.

That contribution, however, is immense and is often much larger in terms of overseas earnings, than that of the contractors themselves. As far as the U.K. is concerned, the volume of work which architects and consulting engineers—in the electrical, mechanical, heating, ventilating, structural, chemical and mining fields—are now taking on overseas is growing rapidly.

### Reputation

Throughout the broad range of consulting work the U.K. has over the years built up for itself a worldwide reputation virtually second to none, as have its architects. The past performances of British designers and consultants have left behind them a standing which provides a sound base for the many firms and practices which have not yet ventured beyond their own home market but which are now actively considering such a move. Whether or not they can win business depends ultimately on their own expertise and understanding of clients' requirements, but the reputation which precedes them will do them no harm.

The growth of science and technology has made it increasingly necessary for professional engineers to specialise in particular fields relating to construction activity, and the U.K. can offer a breadth and depth of experience in this respect which is equal to any. Civil engineering in its more restricted sense includes the provision of roads and railways, bridges, tunnels, airports, water supplies, sewerage, land draining and reclamation and harbour works. Electricity and gas generation and distribution are mainly the field of electrical and mechanical engineers, but also require the services of civil and structural engineers. While architects may be responsible for the general planning and appearance of new buildings, whether residential, commercial or industrial, structural engineers will design and supervise work involving such items as foundations, frame-work, floors and stairs.

Mechanical, electrical and heating and ventilating engineers deal with the ever expanding range of services which today have to be incorporated into new buildings. Chemical and mining engineers, not forgetting metallurgists, can also provide services in their respective areas, and so the client can select a consulting engineer with the knowledge and experience that his project needs.

The expansion of overseas activity by U.K. consulting engineers has been a story of remarkable success. According to the Association of Consulting Engineers, the capital value of work being handled by its U.K. members is at present over £120m.

This total represents more than double the figure for a year ago, and it is estimated that most of the increase is the result of new commissions obtained during 1975. According to the association, nearly 80 per cent. by value of the new commissions obtained were in the Middle East, where the total work on hand represents over half the world capital value. In Saudi Arabia, for instance, U.K. consulting engineers are now coping with some £2.5bn. worth of work.

Last year in particular was notable for the number of very large commissions which were obtained. Included in the list of new commissions were a handful of commissions for projects which ran into hundreds of millions of

pounds, although two-thirds of the projects were still valued at £20m. or more.

### Revision

The association said that, as a result of this trend, a revision of the method of estimating the resulting annual earnings had been made necessary, since larger projects commanded lower percentage fees as well as being spread over a longer period. On this revised basis, which the association's members during 1975 were estimated at £115m, with the present annual earnings rate already up at £130m. When the 1975 performance was announced, the association took the opportunity to "have a go" at the public sector. Some public bodies it stated, intended to engage in overseas consultancy direct, for which it had "not" before they were organised. Neither it claimed, did they possess the necessary experience.

Added: "Short-sighted fiscal legislation greatly handicaps consulting engineers by restricting their ability to finance figures are available to illus-

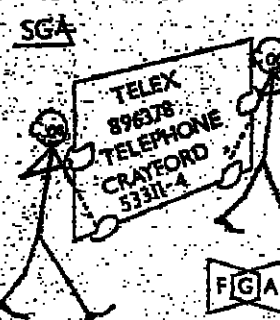
trated and under-employed professional staffs in Government offices, central and local, as well as in nationalised industries, absorb much of the limited supply of skilled manpower. In addition to denying independent firms the prosperous home base which was essential if they were to break into the overseas market."

The consultants' objections broadly reflect the opposition mounted in an attempt to prevent the spread of direct labour building operations; and it again underlines the widespread belief that private expertise in the construction field is better than any form of public participation. But it does not, at this stage, seem that in terms of work abroad, the consultants have too much fear of competition from public authority operations, such as their established predominance in overseas markets.

The opportunities for architectural and engineering consultants overseas are equally enormous, and while no up to date figures are available to illus-

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# U.K. developers take stock

INITIAL REACTION to the failure of Amalgamated Investment and Property Company, the first major British quoted group to become a victim of the decline in the property market since 1973, was that its foreign investments must be the problem. The Bank of England's guidance in British creditors appeared to preclude the local banks from precipitating such an unexpected collapse. Amalgamated's foreign exposure was most evident in a 430,000-square-foot office block in the Paris suburbs, called Pariferic Bureaux. Hence the supposition was that the French banks must be the ones who had pulled the rug from under Amalgamated.

Even though this scenario proved false—the lead French bank, Credit Lyonnais, specifically denied it and the timing of AIP's failure proved to have simpler explanations—the nervousness about British developers' interests abroad, and the attitude foreign banks may take to their problems, is well founded. And Pariferic Bureaux is an example of the sort of scheme to frighten any banker.

## Voluntary

Its size and location reduce the chances of quick letting with demand influenced by a depressed economy and office oversupply. The banks concerned, even though until recently they were hopeful of a comparatively happy outcome which would have involved Amalgamated in voluntary surrender of the building to them, have come to realise that costs have outrun any likely investment value. And it seems that since the French loans had been granted against an Amalgamated guarantee, the French banks may be joining the unsecured creditors' queue.

The case is an extreme one. But many British developments of the early 1970s, in Europe and other world markets, have at least some of these common elements: too high an initial site

value, at least by to-day's standards, though next year's could be different; financing basically made possible by the huge revaluation surpluses thrown up on the company's British properties, valuations that now look doubtful in many cases; developments of a somewhat revolutionary size or standard—larger or more luxurious than local markets were used to; and funding of a term which assumed completion on time and swift lettings afterwards.

In considering the future role of developers abroad, in the particular context of the construction industry, it would be easy to exaggerate these problems and deduce that British developers will never again provide the work generated from the misplaced belief in a steady and continuous increase in property values which fuelled the last boom.

First, if one considers those with very large individual developments—the MEPC and Capital and Counties schemes in Australia are an example—then whatever their funding problems now, these schemes are in many cases well-located, outstanding buildings which, given some return of economic confidence and a favourable political climate, will pay their way in the long run. A great deal depends on the future tax treatment of properties in the different countries, but not all the more ambitious projects need to end up as Concorde is often viewed now—brave efforts, but losers.

Second, although Britain's biggest property group, Land Securities, has eschewed foreign development, among the other major groups which are still securely funded are some important foreign portfolios: English Property Corporation may, within two years when its present development programme is complete, have more than three-quarters of its portfolio abroad. That includes the important Trizec holding in North America and a major programme on the Continent

where its success in letting buildings due next year in Brussels will be a key point. Given success, such companies will continue to invest in the world's stronger economies and the U.K. market, both in economic and legislative terms, is unlikely to suit them for some time.

Third, whatever the absence of popular belief in any special skills necessary for successful development, British developers have shown particular agility in many of the foreign schemes. Now that more of the professional skills necessary to them are available through foreign branch offices, there are plenty of examples of successful small development teams who can still see a greater opportunity abroad than at home.

## Willingness

Samuel Properties, Chesterfield, Heron, Intercontinental and Reamhurst are examples of this, and among them there is a willingness to enter new markets, such as in North and South America at present, which will probably mean that they will continue to initiate developments having funded their present programmes satisfactorily.

Fourth, in a separate category, come those who have successfully developed industrial estates abroad. Most have also tried their hand at commercial schemes there, and with varying success in the last few years. But groups like Slough, Brixton and Artagen are likely to continue their factory and warehouse expansion once demand allows.

Fifth, and perhaps most importantly with the shift of emphasis in the home market from companies to institutions, it should be remembered that much of the British development abroad has been done by pension funds, conventional insurance companies and those tied to property bonds. Changes in exchange control

regulations have influenced these almost as much as the development companies. They have not, however, suffered such severe funding problems and it is likely that, should exchange regulations be eased, the institutions would again become active abroad. They are not passive now, as evidenced by the investment by British pension funds in North America and by associates of several U.K. insurance companies on the Continent. If, for instance, EEC harmonisation extended to giving U.K. gross funds the same tax-exemption abroad as at home, then there could well be substantial investment by them in Europe.

Such expansion lies in the future. For the present, British developers are retrenching abroad. Those with investments are benefiting from sterling's weakness. Those with development incomplete or unlet face a worrying period. There are still many major problems contained in the estimated £1.3bn. invested in France, Germany, Holland and Belgium alone in the past four years.

Quentin Guirham  
Property Correspondent

## Professions

CONTINUED FROM PREVIOUS PAGE

trate the level of work which U.K. practices now have abroad, the picture is quite clearly one of fairly rapid expansion, though with ample opportunities for further growth.

As with the contractors, architects have been forced to look harder of potential overseas work in the light of the recession in building work at home, providing them with an opportunity to spread overheads and keep their operations together. But, as the Royal Institute of British Architects has pointed out in the past, despite the fact that the work of British archi-

lects is admired and respected throughout the world, relatively few practices actually have work overseas. There are around 4,000 firms operating in the U.K., and perhaps only a few hundred have so far tackled foreign projects.

This, apparently, is principally because the "export" of services takes place on a firm-by-firm basis and the full scope of the British achievement goes by default. Furthermore, in contrast to the consulting engineers, architectural practices tend to be fairly small, and the costs of entering overseas mar-

kets at all in competition with heavily subsidised professional services of a number of other developed countries can prove inhibitive.

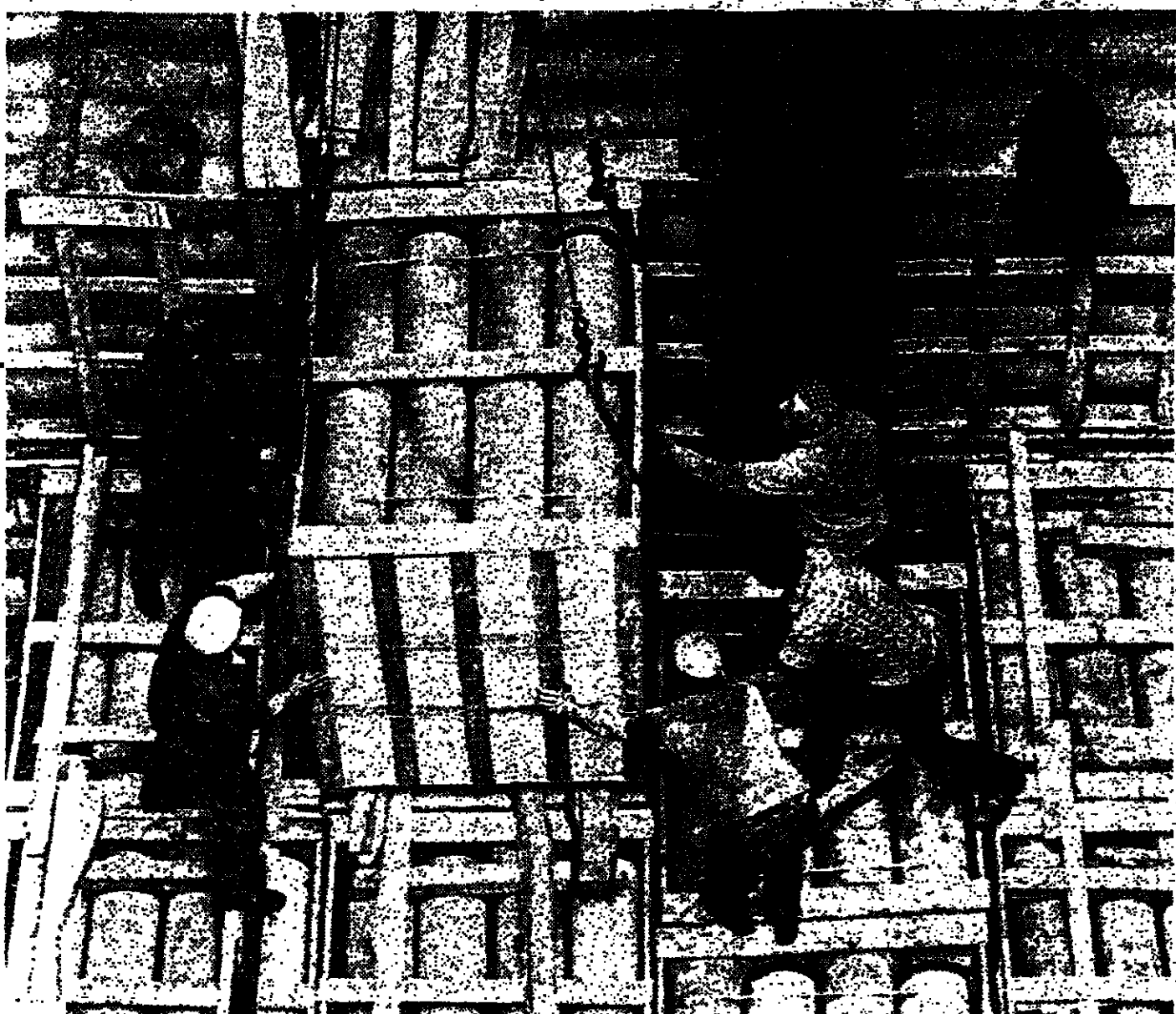
The RIBA has repeatedly underlined the need for a guiding hand at government level to assemble the package of services, skills and hardware which are necessary to win business in many developing nations, particularly in the Middle East. Government support has been traditionally poor for the export of all forms of professional services, despite the fact that they are an "invisible" export of the new Board will

much "visible" follow up.

But with last year's formation of a Construction Exports Advisory Board, the architects feel that at long last some effective mechanism to help promote British construction and its associated professional services may be on the way. A spokesman for RIBA commented: "We are very anxious to see many more architects go abroad in search of business, as the number now involved is still comparatively small. We certainly hope that the establishment of the new Board will

speed up the process and encourage some of the practices which until now have been wary of overseas commitments." But if many of the smaller operations have still to join the "international club," their larger counterparts continue to make good progress, with British architects well represented in many parts of the world. With much attention focused on the Middle East, work is also being carried out on projects as far afield as Nigeria, South East Asia, South America as well as in Europe.

Michael Cassell



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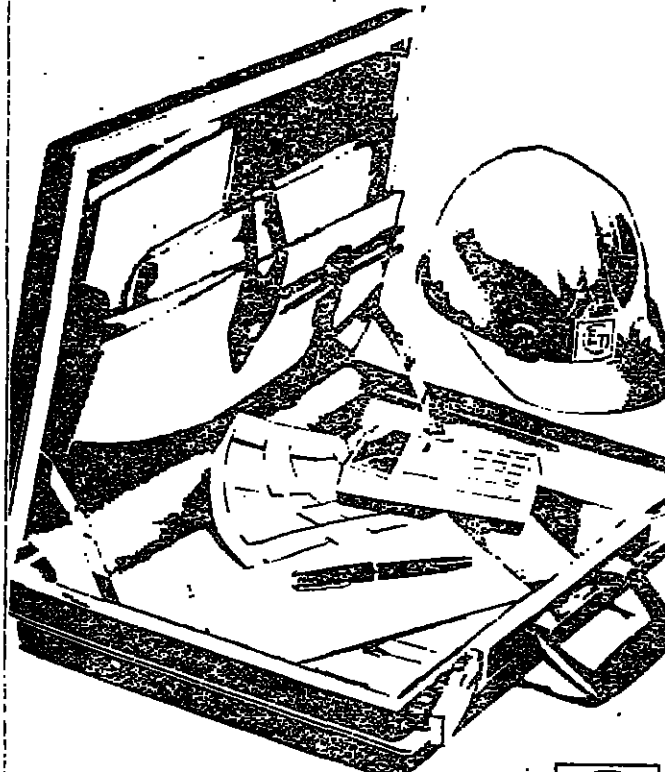
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# Packaged project systems

THE CHANGING nature of "jumbo" projects now on offer overseas contracts has stimulated the development of a wide range of new ideas and approaches in the field of project management and traditional attitudes are changing fast.

While many contractors experienced in project control are devising and expanding their own systems for managing contracts, large numbers of consultants are now emerging to offer a new brand of "total package" management. In some respects, the Americans have become pioneers in the provision of project management services and they are now actively evaluating business opportunities in areas of the world where construction work is plentiful.

Today, the client can, if he wishes, delegate as much of the pre-building work to outside experts as he thinks appropriate. The consultant will take on feasibility and economic analyses, investigate, select and acquire suitable development sites and recommend architects, engineers and contractors for the job in hand. He will also be responsible for schedule and cost control and keep clients management regularly informed of work progress throughout the life of a project. From beginning to end, he can be called on to help and advise down to the final leasing programme, if appropriate.

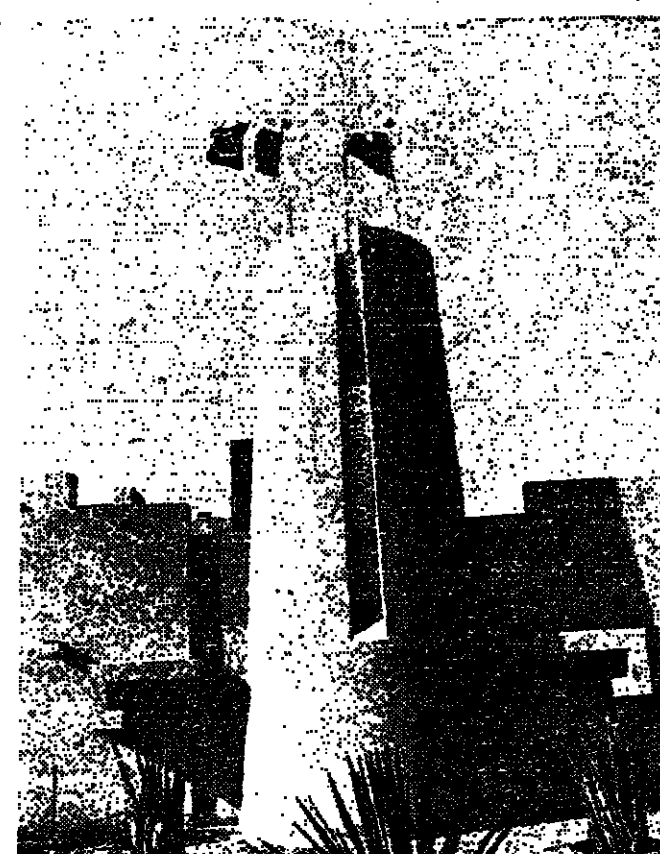
Not all the work now being taken on abroad is, of course, of a size or a nature to justify radical changes in established management techniques but it is when contractors begin to consider tackling the type of

## Waste

If a figure of about £100m. is accepted as the dividing line, it is quite clear that contracts beyond this level are beyond the scope of even the largest contractors. The traditional employer-engineer or architect-contractor relationship based on the engineer or architect providing a design which then goes out to competitive tendering will simply prove unmanageable and a tremendous waste of resources is likely to occur.

There are already a few well-established means which can make the giant contract more workable from the contractor's point of view and which involve the appointment of a large builder on a management contract-fee basis by the employer. Under such an arrangement the management contractor will take on total responsibility for the construction of the project and he in turn may sub-contract the work to a number of teams on a competitive basis, retaining the obligation for overall co-ordination. In this particular option, the question of responsibility is crucial; and although the contractor takes overall charge he is still able to set off the individual parts to those contractors involved in the work.

It might be thought that the management contract could be within the scope of private practice consultants, but because of the structure of the profession the size of individual units is not considered large enough to be able to take up the responsibility even with this set-off position, as the financial



Reminiscent of a desert fort, this Oman Police HQ building is by Britain's George Wimpey and Co.

resources of the largest private practices are far smaller than those of major contractors.

As an alternative, and still with the use of a management contract, a consortium of contractors can be arranged with a variety of choices available concerning the amount of work they undertake as opposed to overall management contract and the single contractor management contract differ little in principle as long as it remains on a fee basis.

A consortium can also be formed to include all construction, design and specialist services. It then presents itself as a team to compete with others

for work or can proceed on a basis of negotiation. If this approach is adopted, the question of a fee does not of course arise but becomes a matter for payments in the normal way, depending on the course of the works and the value of the contract.

Yet another choice lies in the division of a project into several distinct sectors, with competition for the first stage and negotiation for following stages between the client and the successful candidate for the initial work phase. In this case it is considered necessary for the client to have expert assistance, probably by way of consultants, as strict control is required in the negotiation of

the subsequent stages, particularly at a time when inflation presents an added uncertainty. Such an approach does, however, have some big advantages for the contractor, as the first stage will be of manageable size and he has the added ability to be able to be reasonably sure that subsequent work will flow from the same source, an important incentive to ensure early work is done efficiently and well.

## Examples

Two of the U.K.'s biggest names in international construction have been providing some good examples of how contractors can successfully work together if that is the only way in which mammoth contracts can be obtained. They are not, however, the only ones and a developing pattern of partnerships seems likely.

The Costain-Taylor Woodrow joint management venture in Dubai now has work worth nearly £250m. on its hands in Dubai and while such a venture is nothing new, this arrangement is somewhat unusual in that it is literally a 50-50 partnership. Every section represents a complete amalgamation of the two companies and nowhere is there a department staffed completely with people drawn from one or other company. The management committee masterminding project work was particularly selected to have equal representation from both sides. Management is divided between Dubai and London and while the venture obviously reports to London, it is largely

left alone to carry out the programme. A project manager presents an added uncertainty. Such an approach does, however, have some big advantages for the contractor, as the first stage will be of manageable size and he has the added ability to be able to be reasonably sure that subsequent work will flow from the same source, an important incentive to ensure early work is done efficiently and well.

The contract itself is divided into various working sections and each is a job in its own right, with a manager, engineers, clerical staff and workforce.

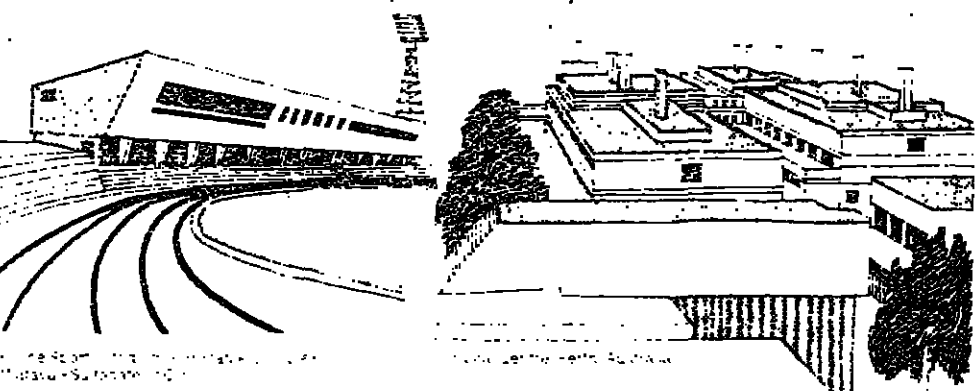
As the joint-venture group puts it: "It is important that all sections progress to plan and progress is constantly monitored by the productivity services department, which has responsibility for overall contract planning and work study. Progress is discussed and future work set out according to current overall requirements."

"Two companies like Costain and Taylor Woodrow, who have worked successfully overseas for many years can be expected to have parallel experience and success formulae. People involved compare their usual methods of working to select the best for the job and have integrated their various skills into the joint venture to the advantage of all concerned."

"A contract of this size is tremendously demanding on the contractor's resources and most large companies would be stretched to provide sufficient people."

M.C.

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## Daunting scale of finance

The rapid expansion over the last few years in both the number and individual size of orders won overseas by British contractors has led to the development of a series of new

approaches to the provision of finance. This has in particular been concerned with the big contracts obtained by British companies between 1973 and 1975. British contractors, of course, have the advantage of using the wide range of facilities available in London.

Typically, a company will use a merchant or clearing bank which will arrange a credit for an overseas customer. Depending, of course, on the country involved and the nature and size of the order, a package may include direct term loans. Thus a loan agreement may be tied up between a bank and the customer whereby the bank will pay the U.K. contractor and in turn debit the overseas client. The customer can, of course, directly pay the U.K. contractor with Promissory Notes which can in turn be discounted.

Contractors are naturally keen to minimise any risk from political changes or from non-payment and the Export Credits Guarantee Department can play an important role here providing cover on a normal premium basis. The ECGD's role is essentially to complement the normal market mechanisms of the banking and the insurance system.

## Size

A whole range of new financing problems has arisen over the last couple of years—not only because of the increase in the total value of new orders won (as mentioned above) but also because of the size of the individual contracts. The average size of new orders has grown faster than inflation to a large extent as a result of the increased involvement in the Middle East where Governments—as the source of many of the contracts—have preferred to place orders in large packages, often worth more than £20m.

This has meant that the bulk of the work is being carried out by the half-dozen or so major groups with the financial and asset strength required to undertake schemes worth tens of millions of pounds. The smaller and middle-sized groups are mainly involved in projects such as housebuilding and as sub-contractors. Even the major groups are often linked in consortia—for example, Costain and Taylor Woodrow are jointly involved in projects in Dubai worth £247m. In the cases where a smaller company is involved, an individual contract

can dwarf the equity base of the company concerned which reinforces the need to secure all possible safeguards against non-payment or political disturbance since the effect of an error could obviously be so disastrous.

The expansion in the Middle East has both provided new financial attractions and posed new problems, apart from the specific issues of size. Thus in a number of Middle Eastern countries, there is the major attraction of advance or mobilisation payments. These are frequently available up to 20 per cent. of the final value of the contract—depending on the size and nature of the order. The proportion is obviously higher in a road building scheme where the construction group needs to import large amounts of plant and equipment.

On the other hand, a number of countries seek performance bonds—often up to around 10 per cent. of the total value of the contract—and these can be liable for payment on demand and effectively on the whim of the client. These differ from the normal surety bond since they are in effect unconditional guarantees and the call can be made even if there is not an actual default. Not surprisingly these bonds are resisted as far as possible though they have complicated negotiations for some companies.

The ECGD has become involved in this issue by specifically providing a cover on performance bonds—a scheme which has been available for just over a year now. While this cover applies throughout the world it was inspired by the particular needs of the Middle East.

The Department has also recently widened its range of services to cope with some of the problems posed by the world-wide acceleration of inflation. Rising costs pose an obvious threat to the profitability of contracts where it is not possible to obtain proper escalation clauses. In an attempt to reduce the difficulties caused by inflation, including the effects of the fall in the value of sterling, ECGD's cost escalation scheme was introduced in February 1975 for contracts lasting more than two years with an individual value of more than £3m. The contractor is responsible for the first 10 per cent. of any increase in costs above the expected level with the Government covering 85 per cent. of the next 10 per cent. For cash contracts, the figures are 90 per cent. and 15 per cent. respectively. The schemes basically concern raw material, components and labour costs.

Peter Riddell

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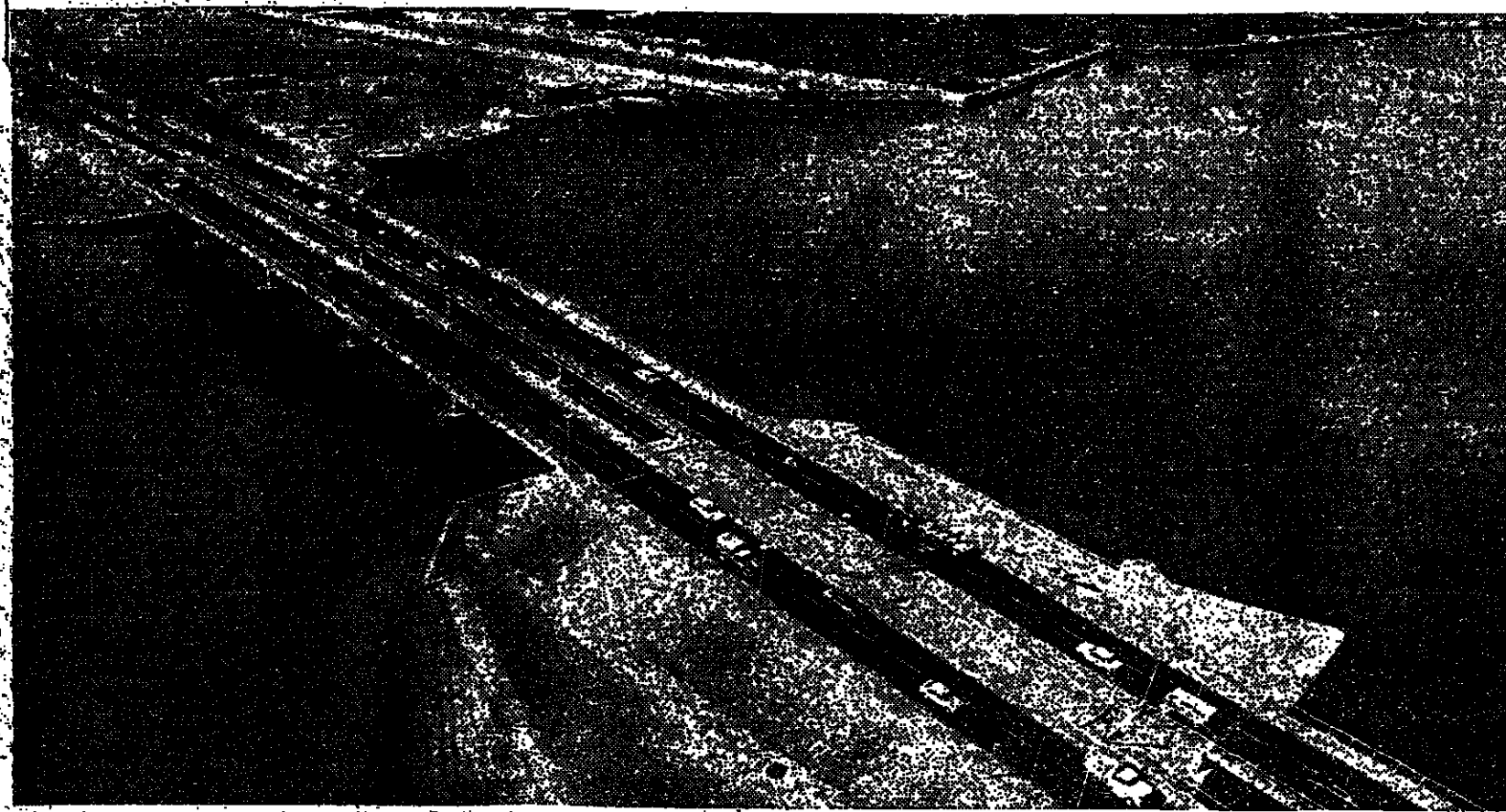
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The Al-Maktoum bridge over The Creek at Dubai was built by Wimpey in a joint venture with Al Fattani.

# Big Middle East orders

OCTOBER 1973 the oil-rich States of the Middle East proved a godsend to contracting firms through the world, providing new challenges, bigger margins, and generally shrinking markets. Last year, for example, nearly \$500m. of the 160 days at Khormashar and 140 days at Jeddah to 75 days at Basrah and 70 days at Doha, the some difficulties over a few months arising from oil revenues and the oil-exporters of the big construction companies look short of ready cash. Some OPEC states as a result of the drop in oil prices have only started to build in the last few months. So long as the demand for construction is high, foreign companies have to fear about getting work.

Plans for the Dubai dry dock, under construction by Costain-Taylor Woodrow, have recently been expanded too, and the bulk of the extra finance has come from a \$150m. Euroloan. Of this, \$20m. was to pay for cost-escalation on the original contract. Labour is likely to cause more headaches for foreign contractors soon. In the past this has been the least of the worries with the vast pool of Yemeni, Pakistani or Indian labour available to the Arabian peninsula. But some governments are known to be concerned at the imbalance between natives and immigrants. Saudi Arabia has not published its census for this reason. In Dubai there are 100,000 workers, 270,000 out of a total population of 200,000. At the same time, the workers and port facilities to themselves have shown restless capacity more at their conditions com-

pared with the great wealth surrounding them. Last month 2,500 Pakistanis and Indians working on building the dry dock in Dubai struck for more money, sick leave, paid holidays, etc. This time only 30 "ring-leaders" were deported. A few years ago, the whole lot would have been. But Sheikh Rashed has now to take more account of the cost to his development programme.

For big projects the trend is now towards engaging companies that can bring in and look after their own labour force. South Korean and Indian firms have the edge here, and for this reason should win increasing amounts of work. Already the \$150m. contract to build the OAEPC dry dock in Bahrain has gone to Hyundai, helped by the Korean group's willingness to supply its own labour. The Korean workers seem prepared to live in spartan, barrack-like conditions and work seven days a week. It would clearly be difficult for Western companies to compete on the same terms.

### Ventures

The scale of many Middle East projects means only the big international contractors can really compete, and they often join up, either among themselves or with local partners, in joint ventures or consortia. A joint venture with a local firm is frequently the only sure way to win work. The latest joint company is a 50/50 venture between Teamwork International, a subsidiary of the Taylor Woodrow Group, and Ali Zaid al-Qurashi and Brothers, a Saudi trading group. The new company, Teamwork Saudi Arabia, is already negotiating several contracts.

Costain and Taylor Woodrow have linked up for Middle East work—their contracts for the Dubai dry dock and Port Rashid are worth £247m.—and Laing and Wimpey have a joint venture in Saudi Arabia with a local group, Alireza, which has won £20m. contracts for both Abha airport and for developing Jeddah.

These four British groups, together with Cementation, Sunley, Tarmac and Paulings, have dominated Gulf construction work. Potholes established while the Emirates were still under British rule, as well as the ascendancy of British consulting engineers, have helped. The British government has also stepped up its assistance for exporters, with the Middle East in mind, and since last year has been guaranteeing performance bonds for projects worth over £2m. The first bond of this kind, announced last May, was for Bath and Portland's £46m. contract to build a highway in Iran. Britain is also one of the few industrial states to provide cost-escalation cover, though for fairly small amounts—on export contracts over £2m. signed after February 20, 1975.

However, competition for British firms is getting stiffer, even in the Emirates. Recent contracts there have been won by an Indian firm in Qatar (for a \$70m. airport), by a Swedish firm in the UAE (for \$71m. worth of housing), by three Japanese firms including Nishio Iwai in Kuwait (for a \$500m. town) and by Belgian/West German and U.S. firms for two hospital contracts there each worth \$70m.

Away from the Emirates, the diversity of contractors is clearer. South Korean firms have long been popular in Saudi Arabia for road construction, and Archirodon of Greece is bearing the brunt of the kingdom's port expansion programme, its last two contracts being worth \$170m. and \$194m. respectively. Hochtief of West Germany in 1974 got a \$250m. contract to build a new airport at Jeddah, while Philipp Holzmann last year was awarded one

for \$225m. for five hospitals, apartments worth some \$144m. One of the biggest recent contracts in Iran—for a \$1bn. port won significant slices of Libya's development programme. Eastern European and local contractors feature strongly in Iraq's construction projects, but such is the pace of development there that Iraq has been turning increasingly towards Western European firms. A stage of expansion of Tripoli port. It also carried out the first taken on to build a \$200m. holiday stage at a cost of around \$60m. day township. Another Turkish company has recently been engaged to build

Peter Field



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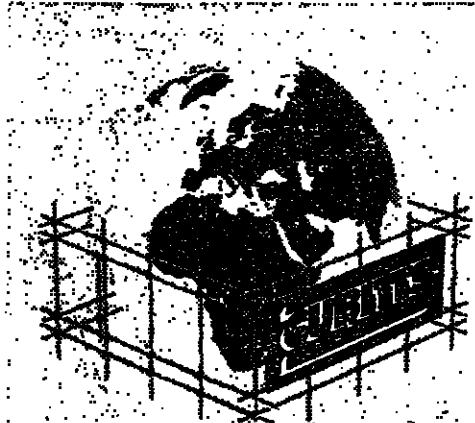
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## حان وقت الذهاب إلى البيت

فالبني يعني أكثر من مجرد المكان الذي تعيش فيه البيت هو مكان الاستقرار في حياتك حيث تصبح عضوا في المجتمع المحلي وحيث يكون لك أحد قاصديك. البيت هو المكان الذي تحاط به بالرعاية الاجتماعية والخدمات الضرورية للملاحة للعصر الذي تعيش فيه. ومع الخبرة في بناء المساكن التي امتدت إلى أكثر من مائة وخمسون عاما فإن كويتس تيني نجتمعات جديدة كاملة لعالم الغد.

ولناخذ مثلا مدينة تيزميد... فهي مدينة تتعدادها السكاني خمسة وأربعون ألفا وفي شاهد للمال ليري كيف تستطيع السلطات المحلية والإدارات الحكومية رجال التنمية أن يعملوا معا لإنجاز مشاريع على هذه الدرجة من الاتساع والصعوبة. وحتى غير البحار فإن الشركة تقوم ببناء مدن جديدة. وهي ليست مجرد منازل فقط بل كل ما يتعلق بالحياة المدنية مثل المدارس والمعاهد والتجهيزات الصناعية ومراكز الاستجمام والمولات التجارية والطرق الرئيسية وضيق السيارات ومنازل ترشيع المياه والمجارى ومحطات توليد الكهرباء وخزانات المياه.

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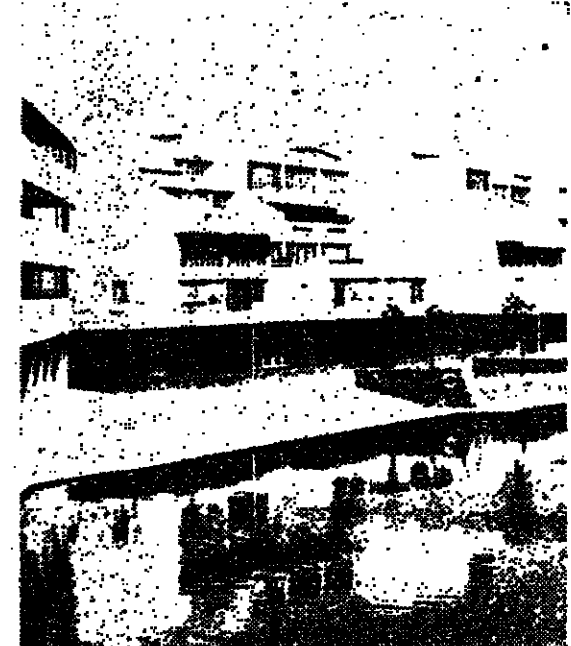
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## OVERSEAS CONSTRUCTION VI

More optimistic mood  
in the States

## Widening horizons

Tilbury are returning to the international contracting field - initially in Nigeria. In association with a well established Nigerian contractor, the Group have incorporated a new company - Tilbury Contracting Company (Nigeria) Ltd. This is the first step in again widening the Tilbury horizons beyond the United Kingdom where the Group continue to satisfy competently the contractual requirements of a wide range of employers.

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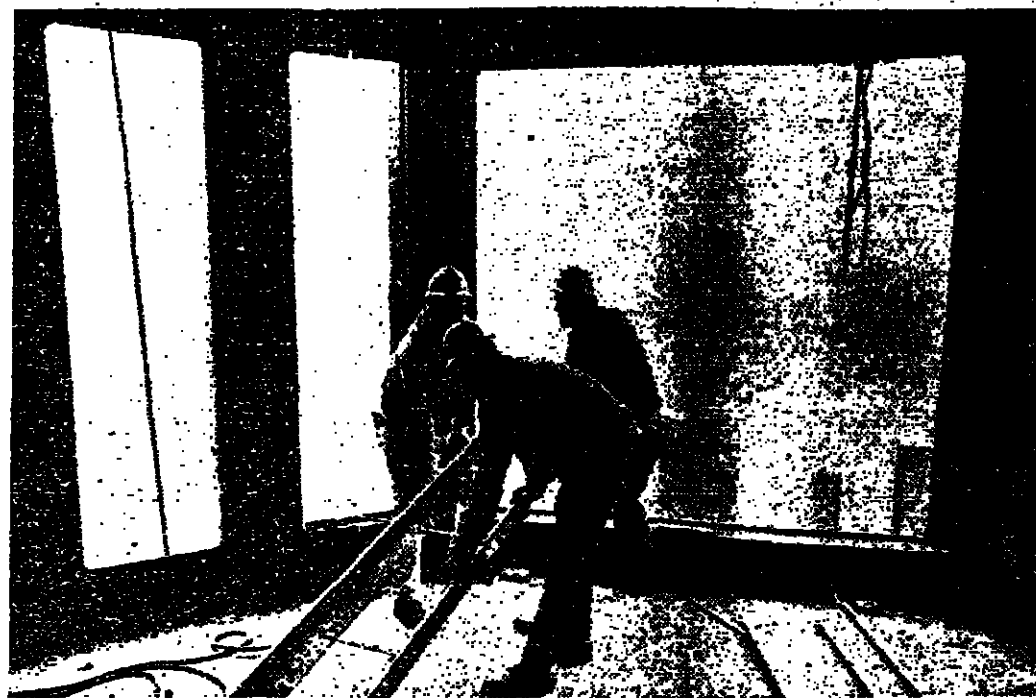
AS THE American economy pulls strongly away from the recession of the past 18 months, U.S. construction companies are more optimistic than for some time, but they have yet really to feel the full effects of the improvement.

The industry was hit particularly hard in America, as elsewhere, by the cutback in major construction projects - like roads, universities, hospitals and schools which both Federal and State authorities have been postponing or scaling down wherever possible to save money. Roads, in particular, have been a major casualty of the downturn, and there is still little of the enthusiasm that there once was for any significant extension of the nation's highway network especially inside built-up areas.

More serious still for smaller builders has been the slump in the private housing market. This has affected everyone from the small-town general builder to the large companies that specialise in apartment blocks or hotels. In Florida, for instance, where until two years ago there was a construction boom, a number of developers have been in severe financial difficulties because they could not meet their mortgage payments, and the inevitable result has been to bring to a virtual halt almost all new building.

The latest statistics suggest that this is now changing at last, and the industry is now predicting a much better year than last but still nothing like as good as the halcyon years before. Even so, Federal housing policy is widely criticised on the grounds that, as in Britain, the Government seems to be unable to find an effective way of helping young and relatively poor home buyers to enter the market.

But if the domestic picture has been bleak for some time, it has been somewhat improved by the involvement of some of the nation's largest construction companies in a new burst of overseas building, particularly in the Middle East. Overseas construction now accounts for



Men at work on a New York office building. The construction industry has been hard hit by recession, although overseas orders have provided a bright spot.

some 10 per cent. of the \$130bn. of business done last year by U.S. construction companies. The surge of building in the Middle East, and increasing involvement in Brazil, Nigeria and Central America has been warmly welcomed by most of the large contractors, but they also concede that it is already bringing with it considerable problems.

The chief area of interest is the Middle East and specifically the large defence building contracts connected with the expansion of the Iranian and Saudi armed forces. One industry source, for instance, estimates that the Saudis are currently engaged on about \$18bn. worth of military construction projects of one kind or another. Although U.S. companies have not won major new contracts there since September - and have seen as much as \$10bn. of this figure go to European or Japanese contractors - they are still heavily involved in the area.

However industry sources freely admit that the early enthusiasm about these huge contracts has evaporated, and there are a number of major contractors who are beginning to have serious doubts about committing themselves too deeply. Saudi Arabia provides a good example of the hazards that major U.S. construction companies have discovered. To begin with, the Saudis like fixed-price long-term contracts which the contractors are very wary of because of the unpredictable vagaries of inflation. The Saudis insist on bank guarantees to guard against default which the companies dislike because these are viewed by the banks as part of the line of credit. This obviously worries the contractors who have been pressing the Saudis to agree to sureties rather than guarantees, so far without success.

Once a contract is won, however, the problems are far from over. Port congestion, the need to import labour, shortages of the most basic raw materials all conspire to make working in Saudi Arabia extremely difficult, particularly for companies with no previous experience in similar work. Industry officials cite the enormous overhead costs associated with bids of this kind as a major reason why in recent months U.S. contractors have failed to win a number of military deals. Even though the U.S. Army Corps of Engineers operates on behalf of the Saudis in a number of cases, it has awarded some \$10bn. worth of contracts to non-American contractors since September simply because the foreign competitors could offer lower prices.

Although they are not prepared to say so publicly, is the possibility that such revelations could lose them a good deal of business at home, because they fear their major customers would be loath to do business with companies who have admitted going along with the boycott.

A further problem which a number of companies have encountered has been that as oil revenues have fallen off in some countries because of the recession, some customers have been late with their payments. Not surprisingly, information about this is difficult to come by, but industry sources suggest that at the moment some Iranian clients have allowed themselves to fall behind with their payments and this is just beginning to cause some concern.

## Formidable

Nevertheless, the opportunities both in the Middle East and in other oil producing countries are enormous. One industry source calculates that the market for new construction in the Middle East alone will become \$90bn. over the six years and that, even if this has to be scaled down still represents a formidable opportunity for American companies. Venezuela, for instance, is now beginning to attract great interest and a number of American companies have been active in Nigeria as well.

The more traditional markets of Central America have also generated a fair amount of business for U.S. companies as have Brazil and the Philippines.

The most authoritative list of the countries that major U.S. contractors are operating in is published each April by the magazine Engineering News-Record. The latest list is due out next month but last year's gives a good indication of the geographical spread. Bechtel, for instance, was then involved in over 40 countries. Brown and Root in over 35, Kellogg in nearly 30 and Kaiser in about 25. Together the top 400 companies shared about \$11.7bn. worth of overseas work, according to this list, and that has certainly been outdated since the surge in orders from the OPEC nations.

One area where U.S. industry sources concede that they are relatively weak is in providing the full range of technical advice that contractors need before tendering for contracts. The industry is at the moment working hard to gather more information of this kind so that it can better serve companies who want to expand their overseas business while warning

Picketing Bill could labour pests within try. This Bill allowed unions to picket building site even grievance was with sub-contractor and reported right up to President Ford. It eventually bowed to give opposition from construction industry as right-wing of the Party and vetoed the construction unions seeking such a in many years and vowed to make life the companies. This How difficult they of and what level of seek, remains to be some analysts fear trial unrest could some of the advantage ending of the recession. Whatever happens parties are likely to important force in construction market they are working military contracts they are involved in they are plants or in this kind of business a very few companies likely to survive. If the interests where are more predictable readily available as no shortage of raw Indeed some of this industry who claim far-sighted will not surprised to see a reduction in U.S. construction in the Middle East in the years in favour of markets in North America.

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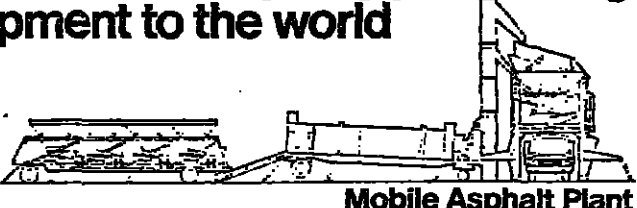
Concrete Plant

Concrete Mixers

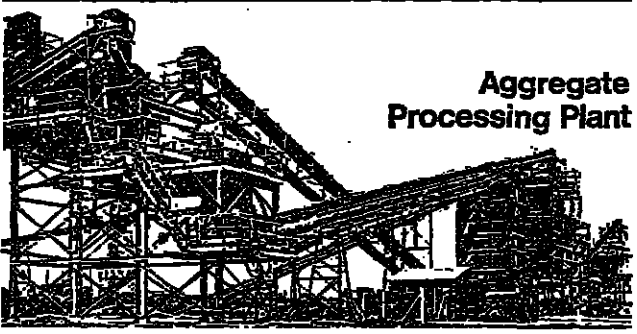
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## OVERSEAS CONSTRUCTION VII

# Growth in Latin America

CONSTRUCTION sector often for political reasons and the disappointing outlook in during the 1970s, been in support of the Chilean junta, does not appear to have cured the economy of Latin America. The growth in 1974 was at the highest level in the continent was at the rate of 8.8 per cent, higher than that of any other sector. The Chilean balance of payments, however, would give a further boost to the economy but there is some rate of expansion in the construction sector. The Chilean building industry has no more reason to feel regional average growth of 8.1 per cent. The Chilean building industry has no more reason to feel regional average growth of 8.1 per cent. The Chilean building industry has no more reason to feel regional average growth of 8.1 per cent.



Construction work on the underground railway in Rio de Janeiro.

## S. Korea enters the lists

SOUTH KOREA is hopeful of earning around \$2bn. in construction jobs abroad this year, mostly in the Middle East. Coupled with the growing momentum in shipments of export goods, the fast-rising construction business is a boon much needed to reinvigorate the nation's economy which suffered a trade deficit of \$1.8bn. last year.

The Koreans' strong selling point is the ability to bring thousands of their own skilled workers to the overseas construction sites. This gives them a competitive edge over American, European and Japanese companies which can employ only engineers and foremen in most cases.

Exporting construction expertise as well as labour is a trade quite new to South Koreans, who obtained their first international experience in South East Asia only a decade ago. Aside from remarkable gains in South Vietnam during the peak war days, the Koreans had a good record in Malaysia and Guam.

Now a total of 34 companies are engaged in construction projects in 24 foreign states and territories, putting their industry among Korea's biggest foreign exchange earners. Overseas contracts increased steadily from only \$11m. in 1966 to \$360m. in 1974, according to Government statistics. Last year saw an unexpected upsurge. Thanks to Middle East contracts, Korean firms netted \$853m., nearly twice the original Government projection.

The Middle East States, notably Saudi Arabia, Kuwait, Bahrain and Abu Dhabi, accounted for 94 per cent. of the total contract value last year. In 1974 when the Koreans began to see prospects of a windfall in Arab oil money, the proportion did not exceed 34 per cent.

Official figures show that, out of 6,800 Koreans working in construction projects abroad as of the end of January, 4,700 were in the Middle East.

This year's official goal of \$1.2bn. is considered too conservative, and the industry is confident of making at least \$2bn.

Already a major feat was achieved when Hyundai Construction won a huge Saudi project worth \$1bn. in February this year. The contract, to develop a major port at Jubail on the Gulf coast of Saudi Arabia, is by far the largest ever obtained by a Korean company. It is to be completed in four years.

The importance of the region to the South Korean economy is further heightened as Iran has emerged as another potential major market. At the first Cabinet-level talks between Korean and Iranian officials held in Seoul last year, Korea was cited as a major difficulty in bidding for overseas projects.

Inaugurated a year ago, Korea Overseas Construction Corporation (KOCC) serves as a syndicate of major Korean contractors. With the initial paid-in capital of 1.25bn. won (\$2.5m.), the company acts as an agent in bidding for overseas projects worth more than \$50m. each. In the first bidding, for overseas projects in Iran, Korea was cited as a major difficulty in bidding for overseas projects.

Especially in such Arab States as Saudi Arabia and Kuwait, trained construction workers are a commodity in short supply. The upstart Koreans are able to more than offset some technical inferiority to their competitors with the supply of their own labour at comparatively low costs, and thus can under-bid them for some of their larger jobs in those countries involving construction of ports, shipyards and motorways.

Other fields in which British companies are active as consultants or purveyors of the latest technology are the Venezuelan oil terminal for the Ecuadorian trans-Andean pipeline and the Panamanian trans-isthmian pipeline.

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### Construction in Latin America

#### Annual growth rates

Country	1970	1971	1972	1973	1974
Argentina	2.3	-9.8	12.3		
Bolivia	1.9	7.2	14.0		
Brazil	10.6	12.5	11.2		
Colombia	4.4	11.5	12.5		
Costa Rica	7.2	3.5	13.0		
Chile	-0.7	-12.6	13.5		
Ecuador	3.0	11.7	8.3		
El Salvador	21.5	-11.0	15.9		
Guatemala	9.8	18.0	4.7		
Haiti	15.3	15.4	17.2		
Honduras	8.5	5.7	3.1		
Mexico	7.0	14.8	6.3		
Nicaragua	6.2	6.2	32.0		
Panama	15.3	4.3	3.9		
Paraguay	8.2	16.3	20.4		
Peru	11.0	8.2	17.0		
Dominican Republic	23.0	13.9	12.6		
Uruguay	5.7	-2.0	9.1		
Venezuela	21.0	10.8	2.8		
Total					
19 countries	8.1	8.9	9.8		
(excl. Brazil)	7.1	6.2	9.1		

Source: UN Economic Commission for Latin America.

Hugh O'Shaughnessy

# ARCHIRODON

## Marine Works and General Construction



Archirodon's organisation, one of the largest marine-works contractors, has been contributing dynamically to the development of the Middle East countries since 1960. It has completed the Benghazi and Beirut Ports. It is now engaged in the construction of Jeddah, Dammam (photo above), Jubail and Yanbu commercial Ports in Saudi Arabia and the Ports of Sharjah and Ras-Al-Khaimah in the United Arab Emirates. Contracts in hand amount to approximately 1,000 million U.S. Dollars.

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**GOLD MARK**  
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## Sterling made useful headway

Sterling made useful headway against major currencies in the foreign exchange market yesterday, finishing the day with its trade-weighted depreciation at 33.6 per cent over the previous record closing low of 33.9 per cent. After speculation over the week-end concerning a revaluation

of the West German mark, there was growing evidence yesterday that this was not the case, at least not in the immediate future. This led to speculators moving out of the mark and helped to strengthen Sterling and the U.S. dollar. The pound closed at \$1.9250-1.9280 in

terms of the dollar, a rise of 45 points. The U.S. dollar moved ahead generally, but lost ground to the improving Italian lira, which was still feeling the benefits of Government measures that included a 4 per cent. rise of the bank rate to 12 per cent. The

The lira closed at L\$351 against the dollar from L\$475. The trade-weighted average depreciation of the dollar, as calculated by Morgan Guaranty of New York, on noon rates, narrowed to 2.06 per cent. from 2.12 per cent.

The Belgian franc made a dramatic turnaround, and finished

the day as the highest currency in the European float. The appreciation of the currency continued to improve, closing at 5.28 per cent. against 4.57 per cent. previously.

Trading in gold remained rather dull, with the metal losing \$1 at the close to \$1327-1331. The Kruggerand for domestic delivery

EXCHANGE CROSS-RATE			
Mar 35	Frankfurt	New York	Paris
Frankfurt	..	2500 500	50 30 40
N. York	24.28 51	..	21.28 22
Paris	1.4 26 75	4.71 72 1	..
Brussels	11.05 08	25.50 00	8.15 10

London	4.92/95.7	1.62/926	9.07/92.8
Ams and m	7.5/81.7	2.70/1.32	17.27/325
Zurich	99.28/100	2.26/5610	63.35/4

In view of the unsettled conditions, many of the above rates are for the franc area only.

U.S. \$ in Montreal, U.S. \$ in New York, SC=100 pl.55 sterling in Milan 1807.0-1812

## EURO-CURRENCY INTEREST

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Short term...	81s-82s	81s-82s	81s-82s
30 days notice...	10s-10 1/2s	4s-4 1/2s	8 1/2s-9s
Month...	10s-10 1/2s	4s-4 1/2s	7s-7 1/2s
Three months...	10s-10 1/2s	5s-5 1/2s	10 1/2s-11s
Six months...	10s-10 1/2s	6s-6 1/2s	11s-11 1/2s
One year...	11s-11 1/2s	6 1/2s-7s	12s-12 1/2s

Euro-Préfix deposit rate: two-days 95-100 per cent; one month 12-13 per cent; three months 14-15 per cent; one year 10-10 1/2 per cent.  
 Longer-term Eurodollar deposits: two months 10-11 per cent; four years 8-8 1/2 per cent.; five years 8-8 1/2 per cent.  
 The following nominal rates were quoted on one month 5-5 1/2 per cent.; three months 6-6 1/2 per cent.; one year 6 1/2-6 3/4 per cent.  
 \* Rates are nominal floating rates.  
 + Short-term rates are call for sterling.  
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Mar. 23		Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.		785	+4	—	—
ANIC		715	+4	—	8.4
Aurelia Fin.		4,110	+30	120	3.2
Hastogi		1,105	-12	70	6.4
Breda		1,840	-25	165	9.1
Burgo		9,780	-70	300	2.6
Cantoni		6,315	-75	200	3.2

3	CIGA	2,180	-2	-	-
4	Cudrini	4,110	-60	380	8.1
5	Dalmaze	484	-6	60	1.0
6	Erla	1,780	-30	-	-
7	Fant	1,330	-10	100	7.5
8	Dr. Pirr	980	-11	100	1.1
9	Flussler	251	-4	40	16.0
10	Generali	43,600	-900	500	11.4
11	IFI Pirr	2,080	-8	130	-
12	Invest E	1,987	-23	140	-
13	Itakementi	20,000	+100	360	1.8
14	Itakew	505	-3	-	-

1	Islander	355	-12.75	60	1.7
2	Le Centre	7755	5	400	5.2
3	Marine Brocks	481	-2		
4	Moldobanes	69,500	1	120	1.6
5	Mondobro Priv	1,230	-19	120	9.8
6	Mondobro	435	-1.5	53	7.6
7	Mons	1,000			
8	Oliveri Priv	981	-9	70	7.6
9	Pirelli & C	1,650		110	7.1
10	Pirelli Spa	895	5	60	5.4
11	RAS	75,000	-900	500	0.8

Rumantsch	2.10	—	—
Romantsch	2.60	—	—
S.A.F.F.A.	5.270	108.200	3.8
S.T.E.T.	1.551	160	1.2
Sala Vicosca	1.251	7	5.8
Soc. Gen. Immob.	165.28	9.75	—

\* Exception. † Ex free issue.

### BRUSSELS/LUXEMBOURG

Mar. 25	Price Fns	+ or —	Div. Fns	Yld. %
---------	--------------	-----------	-------------	-----------

Arbed.	4,500	+30	390	—
BBL/Bz Br/Lamb	1,899	+15	—	—
Belmont	2,250	+5	105	4.8
ChL/Cr Br/Lamb	2,235	-15	110	4.9
C.M.N. Cement	1,860	-45	75	7.9
Cockeril.	956	12	150	18.9
E.B.N.S.	2,144	-5	161	7.5
Electrobel.	5,030	+80	400	6.6
Fabrique Nat.	1,835	-95	—	—
G.B. Janss-Sm.	1,755	+15	130	7.2
G.L.	1,780	+15	130	—

Hoboken	4,170	+20	119	2.5
Intercon	1,705	+10	129	7.5
Kreditbank	6,600	-90	245	3.3
La Haye Beige	3,300	+50	285	5.4
Par-Holding	2,880		92	3.9
Petrolina	5,655	+30	170	3.0
Petrol Gevaert	1,325	+2	75	5.6
Plusa Franki	6,030	+340	350	6.2
Soc Generale	2,520	-30	175	3.7
Soc. Gen. Banque	2,840	-55	175	6.0
Sofina	3,265	+43	195	5.3

Sovay "A" .....	2,696	+48	186	6.9
Traction Elec. ....	2,980	-20	150	5.0
L.C.B. ....	2,500	-70	175	6.9
Ch. Min. d'Orch. ....	1,224	-26	98	7.5
Vedie Lombagne .....	4,200	+40	360	8.6
Wagon Lata .....	756	+6	38	4.7

SWITZERLAND*				
Mar. 23	Price Frs.	+ or -	Div. %	Yld. %
Aluminium .....	1,305	+25	6	0.9

Bally H.H.	750			
BBC-A	1,730	+10	10	2.9
Ciba-Guay	1,690	-5	22	1.3
Dr. De. Pers.	1,245	10	22	1.7
Dr. De. Reg.	708	+6	82	3.1
Credit Suisse	2,720	+5	16	5.0
Fischer & George	785	+15		
G.m. Lag. J. F. D.	1,285	+5	19	
Hoffman & La Roche	10,150	+500	110	1.0
Interford B.	3,510	+210	20	5.6
Lehrle & G.H. (F30)	750			6
Nearby	3,525	+27	78	9.9

Da. Reg.	1.760	+5	763	4.4
Sandors (F 50)	5.250		26	1.2
Saurer Arben.	1.000		14	5.6
Soc. Int. Pirelli	182		14	8.4
Swissal (F 50)	568	-9	8.6	
Swiss Bank Corp.	499	+5	10	1.7
Un. Bank of Switz.	3.563		20	2.8
Zurich	1.840	-20	30	1.5
Wander Ins.	9.725	-25	40	2.2

**COPENHAGEN**

Mar. 23	Price Kroner	+ or -	Dif. %		Yld. %
			%	%	
Burnmaster & W.	66 1/2	-1 1/4			
Dan Leodmansk	188 1/2	+	12		7.1
Dan Provident	151	-1 1/2	12		4.1
East Austin Co.	306	+3 1/2	12		4.1
Financbanc	155		13		7.9
For. Brøgger	359	+3	12		5.6
Handelsbank Cop	161 1/2		11		6.4
Papirfabrik Por	84	-2	10	10.4	

G. Northern Hld.	848	+ 6	12	4.5
Nord Kabel	222½	+ 5¼	12	4.5
Onetabank	160½	+ ¼	12	7.9
Privatbank	165		11	6.2
Suph. Bonds	377½	+ 5½	11	2.8
Suprins	266½	+ 1¼	12	4.5

VIENNA				
Mar. 23	Price	+ or -	Div.	Yld.
	£	—	£	%
	222			

CredentiaStar	598		10	2.3	CR
Perimeter	340	-2	12	2.5	CR
Selects	743	+1	48	6.6	CR
Somperit	210				CR
Starr Hamier	157	+1	6	3.3	CR
Velt Magnet	393	-1	22	5.6	CR

in five minutes)  
 (Lunch) \$1250-1255  
 Operating \$1255-1260  
 Morning to go \$1260-1265  
 Afternoon \$1265-1270  
 \$1270-1275  
 Gold Coins  
 (Domestic) \$1275-1280  
 Krugger \$1280-1285  
 \$1285-1290  
 New York \$1290-1295  
 \$1295-1300  
 Old Boy's \$1300-1305  
 \$1305-1310  
 Gold Coins  
 (Internat'l) \$1310-1315  
 Krugger \$1315-1320  
 \$1320-1325  
 New York \$1325-1330  
 \$1330-1335  
 Old Boy's \$1335-1340  
 \$1340-1345  
 200 Eagle \$1345-1350  
 \$1350-1355  
 100 Eagle \$1355-1360  
 \$1360-1365

FOREIGN EXCHANGE			
Mar. 22 1978	Bank Buyer	Rate	Days Spots
New York	Big	1.2121	1
London	Big	1.2121	1

Amsterdam	6 1/2	74.82-74
Buenos Aires	7 1/2	74.82-74
Copenhagen	8 1/2	74.82-74
Frankfurt	9 1/2	74.82-74
London	10 1/2	74.82-74
Madrid	11 1/2	74.82-74
Milan	12 1/2	74.82-74
Oslo	13 1/2	74.82-74
Paris	14 1/2	74.82-74
Stockholm	15 1/2	74.82-74
Tokyo	16 1/2	74.82-74

\* Basic discount: 5 Cts  
 convertible franc: 4.95-4.99  
 77.99-79.99

**OTHER MARK**

Argentina 399.99-399.99  
 Australia 1.999.99-1.999.99  
 Brazil 19.99-19.99  
 Denmark 2.99-2.99

Greenland	67.858-68.058	Ca
Hong Kong	8.55-8.5775	De
Iraq	155-185	Fe
Kuwait	0.558-0.568	Ge
Luxembg.	14.05-14.25	Gr
Malaysia	4.921-4.938	He
N. Zealand	1.876-1.893	Lu
Saudi Arab	8.70-8.80	Ni
Singapore	4.7835-4.7880	Na
S. Africa	1.9876-1.9882	Pa
U.S.		Sp
U.S.		Sp

**FORWARD RATES**

New York 0.85-0.83 c. y.  
 Montreal per 10 c. lot  
 Amsterdam 3 1/2 c. 100  
 Bremen 150-170 c. dis  
 Calcutta 1/2 reppn 1/2 reppn  
 Frankfurt 3 1/2-3 1/2 p. 100  
 Lisbon 20-240 c. dis  
 Madrid 125-135 c. dis  
 Milan 10-16 lire dis  
 Oporto 3 1/2-1 1/2 ore pm  
 Paris 1 1/2 c. dis

**JOHANNESBURG MINES**  
March 25  
Anglo American Corp.

Charter Consolidated  
 East Dickinson  
 Elsburg  
 Harmony  
 Kinross  
 Knox  
 Popplecroft Plastics  
 St. Helena  
 South Van  
 Gold Fields S.A.  
 Union Corporation  
 De Beers Deferred

Blyvooruitzicht  
 East Rand Pty.  
 Free State Geduld  
 President Brand  
 President Siers  
 Seifomein  
 Welkom  
 West Driefontein  
 Western Holdings  
 Western Deep

African Export Enterprises  
Anglo-Amer. Industries  
Anglo-Transvaal Industries  
Associated Furniture  
Barlow Rand  
CNA Investments  
Currie Finance  
De Beers Industrial  
Edgars Stores  
Ever Ready SA  
Federale Volkbelangen  
Glen Aard. Development

**Greinermans Stores**  
**Guardian Assurance (SA)**  
**Hudreds**  
**LTA**  
**Nedusaal**  
**OK Bazzars**  
**Ovenshine Investments**  
**Premier Mining**  
**Protoria Cement**  
**Protea Holdings**  
**Rand Mines Properties**  
**Rembrandt Group**

**Sage Holdings**  
**SAPPI**  
**Sorec**  
**SA Breweries**  
**SA Dist. and Wholes**  
**Tiger Oats and Nat. Mill**  
**Unilever**

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**SPAIN** ♥  
March 23  
Amsterdam

Banco Lopez Cassada	
Banco Bilbao	capital 1000
Banco Atlantico (1,000)	
Banco Central	1000000000
Banque (250)	capital 1000000
Banco Exterior	100000000
Banco General	100000000
Banco Granda (1,000)	
Banco Hispano	100000000
Banco Iberico	100000000
Induban	100000000
Banco Ind. Cat. (1,000)	

Banco Mercavill (1,700)  
Banco Occidental -  
Banco Popular -  
Banco Sanpaulier (250)  
Banco Uvalde (1,500)  
Banco Victoria -  
Banco Zaragoza -  
Bankunion  
Banco Andaluia -  
Aflon Hornos -  
Barbeck Wilcox  
CFC  
Crown Food Co.

Murgados .....  
 Immanantif .....  
 E. I. "Arkansas" .....  
 Española Zinc .....  
 Expl. Rio Tinto .....  
 Fecta (1,000) .....  
 Fénosa (1,000) .....  
 Financiero SA .....  
 Financiero, Servicios .....  
 Gal. Preciados .....  
 Grupo Velasquez (400) .....  
 Hidrofla .....  
 Thermom .....

**Motor, Diesel**      **Vaporizador**

**Olestra**      **Sistema de calefacción**

**Papelera - Rounding**      **or**

**Petrolíber**      **with heater unit**

**Petróleo**      **with compressor**

**Sarrie - Papalera**      **control**

**Sinace**      **with heater unit**

**Telefonica**      **with heater unit**

**Torra - Hostack**      **with gr.**

**Tubacex**      **with heater unit**

**Union Elec.**      **with heater unit**

NOTES: Overseas pri  
premium. Belgian divide  
after withholding tax.

• DM300 denom. unless	•
• Kr.100 denom. unless	•
• Ptas.300 denom. unless	•
• Fr.500 denom. unless	•
• ¥100 50 denom. unless	•
• Price at time	•

bond after pending right  
 issue. a Per share. n Fr  
 div. n Assumed-divid  
 and/or rights: issue.  
 attach. va % tax free. n Fr  
 Ullar div. p Nom. v Shs  
 and yield-exclude-special:  
 rated div. u Unofficial ten  
 holders-only. v Market m  
 Bld. n Traded. i Sell-  
 er Ex rights. rd Ex di

increased.

@ Plan 500 denom. unless c  
 @ Plan 500 denom. unless c  
 1 Yen 50 denom. unless c  
 Price at time c







## STOCK EXCHANGE REPORT

# Technical recovery in equities and gilt-edged improve

## Share index up 7.8 at 399.1—No expansion in trade

Account Dealing Dates  
Option  
First Declared Last Account  
Dealing Dates Day  
Mar. 8 Mar. 18 Mar. 30  
Mar. 22 Apr. 1 Apr. 2 Apr. 13  
Apr. 5 Apr. 14 Apr. 15 Apr. 28

After five successive days of falling share values, it became apparent yesterday that the market was no longer willing to accept the reluctance to part of short-term bear operators, which was aggravated by jobbers marking up prices of leading equities. Thus a steady improvement in the first hour of trading turned into a minor boom with the FT 30-share index advancing from 392.2 at 11 a.m. to 398.7 at 1.30 p.m. Conditions quietened during the afternoon and after peaking out at 2 p.m. at 399.1 the index closed a net 7.8 higher at 399.1. Basically, factors guiding the market have not altered and sentiment was still sensitive to the political situation and with jobbers endeavouring to keep levels high. The continuing low level of trade was reflected in official markings of 5,636, well below the daily average for the previous three weeks of 7,138.

Gilt, possibly aided by lower U.S. Treasury bill rates, improved with gains to 10.3 at 61.58. Secondary equities were with the leaders, rising leading falls by 2.1 in FT-quoted Industrials, and the FT-Actuaries All-Share index recovering 1.3 per cent to 183.1. Although Monday's poor "rights" offer debuts made some amends yesterday, the latest £20m. issue proposed by BICC left the shares 10 down at 109p.

**Good Gilt revival**  
The reasons for a noticeable revival in gilt-edged were none too clear, but the market nevertheless went progressively better and final rises of 4 were seen among both long and shorts. The

latter appeared to lead the movement, helped by the renewed steadiness in sterling, when a revived demand began to expand giving the impression that the market could have been oversold. Interest also improved at the longer end where the situation was similar and although volume faded in the afternoon it increased again after-hours following Mr. Healey's hints of a forthcoming alteration in the tax structure for lower-paid workers. Corporations failed to show quite the same firmness, but still closed with gains to 1.1.

A further fall in the investment currency premium was eventually arrested and the rate recovered from 98 to 100½ per cent, before easing again to 99½ per cent. Yesterday's SEI version factor was 0.8756 (0.8770). Although the volume of business left much to be desired, a much firmer trend developed in the big four banks with sentiment helped by the prospect of a return of bank customer charges. Barclays fared best at 238p, up 10, while Midland added 8 at 276p, Lloyds 7 at 220p and National Westminster 6 at 236p. Bank of Scotland rose 10 to 273p. Irregular foreign issues had Standard Chartered 10 higher at 379p, but Hongkong and Shanghai 5 off at 322p. Gillet Bros. hardened 3 to 189p on the chairman's encouraging statement in Discobums, where Allen Harvey and Ross put on 10 in a thin market. Arbutnot Latham, 8 lower at 167p, were a dull market in merchant banks, but Dawson Day held steady at 15p awaiting to-day's interim results. Mr. Fat Matthews' resignation from the Board left the shares of First National Finance unaltered at 2p.

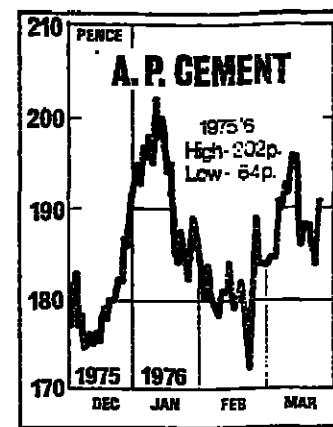
Still drawing strength from press comment on a bullish broker's circular, C. E. Heath put on 4 more to a 1975-76 high of 308p in Insurance brokers, where Leslie and Godwin put on a similar amount to 133p. Among quietly firm Composites, General

Accident improved 3 to 181p, after 183p, in front of to-day's results. Marked down to 124p on adverse Press comment, Arthur Guinness rallied to close a penny harder on balance at 126p in former Breweries. Allied were similarly dearer at 63p and Bass Charrington 2 better at 96p. Elsewhere, Distillers advanced 2 to 146p, but Tomlin, 50p, shed that much following lower profits.

After improving 7 to 191p ahead of the preliminary statement, Associated Portland Cement held at that level on the disclosure of profits well up to general market expectations. General "B" also improved 7 to 191p, while Rugby Portland 7½ and Ready Mixed Concrete, 85p, put on 2 and 3 respectively. Elsewhere, Buildings closed with modest improvements. R. Costain moved up 4 to 232p, while other firm moved up 1 to 231p, 3 better at 86p, and Marley, 3 higher at 104p. Of the isolated dull spots, Anglo American Asphalt declined 5 to 170p and Newcastle in London 10p. The latter being upset by the abortive share deal.

Fleets new nil-paid shares earned the distinction of being one of the day's most active stocks, recouping all the previous day's fall of 4 with a gain of 5 at 21p premium; the old were finally 9 up at 352p, after 350p. Elsewhere, in the 100p range, Albright and Wilson, 87p, put on 4 apiece, while Norsk Hydro gained 21 points at 238½.

**BICC depressed**  
The £20m. "rights" offer accompanied by an uninspiring forecast of a maintained dividend for the current year on the increased capital caused a marked reaction in BICC, which lost 10 at 109p, after 107p, following an active trade. The rest of the Electrical leaders, however, took a turn for the better although activity remained at a low ebb. Philips Lamp, with preliminary figures due Friday, moved up 16



to 360p, while Marks and Spencer, 85p, and Debenhams, 82p, put on 2 apiece. Burton "A" hardened a penny to 59p as did "Gussies" to 205p. Among secondary issues, Westwater, at 132p, moved up 3 of the previous day's fall of 3 in further response to the chairman's comments on the company's trading position. It moved up 3 to 140p, and Mail Orders moved higher, Grattan Warehouses closing a penny better at 96p and Empire Stores finishing 2 higher at 109p. The suggestion that further financing packages were possible failed to deter buyers of GKN, which rose 7 to 34p. Other Engineering leaders were not

quite as firm although Hawker gained 6 to 410p, after 412p, and Tube Investments moved up 4 to 354p, after 350p, the latter in front of to-day's annual results. 100p. Secondary issues were not outdone and Wear picked up 5 to 95p on impressive preliminary profits, while Stone-Platt improved 2 to 109p, also after full-year figures. Weyburn continued their upward momentum to close 55 higher at 68p in a very restricted market, while rises of around 4 were established by Hall, 162p, Whessex, 61p, and Head Wrightson, 51p. Babcock and Wilcox, 35p, Compair, 82p, and 600 Group, 73p, all attracted support and gained about 3 apiece, but Pecler-Hattersley lost firmness at 168p, down 4. Reflecting slightly lower full-year profits, Garton Cooper eased 2 to 45p.

Among quickly firm Foods, Cavenham raised 4 to 131p and Tate and Lyle improved 4 to 267p. Harry Vincent were marked up 4 to 74p in a thin market on the increased interim dividend and higher first half profits. Fitch Lovell closed a penny harder at 54p following Press comment while J. B. Eastwood, 57p, and FMC, 46p, put on 2 apiece. Glassboro, at 140p, continued the scrip issue at 16p. Awaiting to-day's preliminary statement, Ladbroke were active and 3 better at 119p. J. Lyons gained 3 to 144p, while gains of 3½ were recorded in Grand Metropolitan, 73p, and Trust Houses Forte, 107p.

**Industrial leaders rise**  
Miscellaneous industrial leaders picked up to show improvement to 5 and Glaxo, 388p, although little business was transacted. Turner and Newall managed to close 4 higher at 157p following preliminary results, much as with results due April 2, gained 5 at 188p. Becham, 357p, and Reed International, 273p rose 7 apiece, while Rank Organisation recovered 3 at 145p. Elsewhere, Sale Timex put on 3 to 140p, while the higher profits and ended 4 firmer at 90p for a two-day advance of 17. Staffordshire Potteries, still on the rise in half-year, added 5 more at 140p, while Norvic Securities, on the results, put on 2 to 25p. Press comment on a broker's circular, left L.C. Gas 8 to the good at 322p, after Monday's depressing debut in ex "rights" form. Latrobe picked up 5 to 73p and the new start in ex "rights" form, Gill ended 4 better at 222p and the new 6 firmer at 51p premium. Restalco, after a next Tuesday, moved up 5 to 135p. A dull exception, however, was George M. Whaley, which receded 5 to 21p in reflection of the year's loss and dividend omission. Motors and Distributors had a

few firm spots. Lucas, with interim results to-morrow, moved up 3 more to 225p in active trading and Lex Service improved 4 better at 87p, up 3. Brown Brothers greeted the preliminary figures with a fractional rise to 161p, while further consideration of the Malaysian venture took RSG International up 1 to 23p. Against the trend, Healey's cheapened 1½ to 85p.

**Oils fare better**  
Leading Oils participated fully in the upturn and in lively trading Shell rallied 6 to 409p, British Petroleum regained 5 to 530p and Burmah 2 to 37p. Ultramar also found support and moved up 4 to 160p along with L&S&O. SCOT, which recovered 3 to 168p, reflecting Wall Street advice. Pan Ocean reacted 1½ to 111, but North Sea Brae Field enthusiasm continued for both Sumatran, up 4 to 800p, and Slemon (U.S.), similarly higher at 280p. Among other overseas issues, Woodside-Burmah staged a rally to 103p, up 1½.

**Industrial leaders rise**  
In a thin market brought minor gains to the Property leaders. Land Securities, 170p, and HEPC, 70p, put on 3 apiece, while English Property finished 1½ better at 54½p. Secondary issues also displayed a firmer disposition. Scottish Metropolitan Property, which had risen 2 to 75p and the new 9 per cent Convertible added 2 points at 115p premium in response to the higher first-half profits. United Real Estate edged higher to 180p, while the new 10 per cent Convertible added 2½ points at 115p premium in response to the higher first-half profits. United Real Estate edged higher to 180p, while the new 10 per cent Convertible added 2½ points at 115p premium in response to the higher first-half profits.

FINANCIAL TIMES STOCK INDEX									
	23	22	21	20	19	18	17	16	15
Government Secs.	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58
Fixed Interest	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58
Industrial Ordinary	399.1	392.2	392.2	392.2	392.2	392.2	392.2	392.2	392.2
Gold Mines	150.4	150.4	150.4	150.4	150.4	150.4	150.4	150.4	150.4
Ord. Div. Yield %	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Dividend Yield % (excl. Div.)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
2½% Rate (incl. Div.)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Debt (incl. Div.)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Equity turnover %	69.42	69.42	69.42	69.42	69.42	69.42	69.42	69.42	69.42
Equity turnover %	69.42	69.42	69.42	69.42	69.42	69.42	69.42	69.42	69.42

HIGHS AND LOWS									
	High	Low	High	Low	High	Low	High	Low	High
Govt. Secs.	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58
Fixed Int.	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58
Ind. Ord.	399.1	392.2	392.2	392.2	392.2	392.2	392.2	392.2	392.2
Gold Mines	150.4	150.4	150.4	150.4	150.4	150.4	150.4	150.4	150.4

S.E. ACT									
	High	Low	High	Low	High	Low	High	Low	High
Govt. Secs.	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58
Fixed Int.	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58	61.58
Ind. Ord.	399.1	392.2	392.2	392.2	392.2	392.2	392.2	392.2	392.2
Gold Mines	150.4	150.4	150.4	150.4	150.4	150.4	150.4	150.4	150.4

## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS		Tuesday, March 23, 1976										Monday March 22		Friday March 19		Thurs. March 18		Wed. March 17		Year ago (approx.)		Highs and Lows Index			
GROUPS & SUB-SECTIONS		Index No.	Day's Change &	Est. Yield (1/2%) (Max.) Treas. Rate	Gross Div. Yield % (1/2%) (A/C Treas.)	Est. P/E Ratio (1/2%) (Treas.)	Est. P/B Ratio (1/2%) (Treas.)	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	
Figures in parentheses show number of stocks per section.																									



ALTIMES

Scotland) (arbi)			
1	1	611	225 8651 2
2	2	54 0	1 1
3	3	54 0	1 1
4	4	48 7	3 66
Gen. Sec. Co. W			
Chaimowitz 01 423 8011			
1	2	44 4	1 4 95
Gen. Sec. Co. W			
1	2	67 3	4 63
2	3	95 3	4 88
3	4	100 5	5 00
4	5	77 4	5 17
5	6	88 5	5 37
6	7	167 8	4 43
7	8	378 5	1 17
8	9	45 4	1 3
9	10	53 7	1 3
10	11	51 4	1 3
11	12	55 8	1 3
12	13	76 7	4 92
13	14	88 5	4 92
14	15	95 3	5 00
15	16	38 3	1 18
16	17	45 1	1 3
17	18	45 1	1 3
18	19	52 9	1 3
19	20	52 9	1 3
son Management			
Managers Ltd.			
1	2	36 0	1 1
2	3	36 0	1 1
3	4	36 0	1 1
4	5	36 0	1 1
5	6	36 0	1 1
6	7	36 0	1 1
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# FINANCIAL TIMES

Wednesday March 24 1976

AUSTIN'S DEPT  
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## Healey camp claims growing support

BY PHILIP RAWSTORNE

MR. DENIS HEALEY, Chancellor of the Exchequer, yesterday made a strong bid to establish his claim to the Labour leadership with a prominent place in tomorrow's first ballot.

Amid the contradictory campaign claims, the Chancellor's supporters announced that they were gradually building a sound base from which he could advance in the later stages of the election.

Mr. Edward Short, Labour's deputy leader, was reported to have pledged his vote to Mr. Healey. And the Chancellor's camp claimed that enough second-choice votes had been gathered to offer real prospects of victory as the election proceeded.

Mr. Healey himself made a forceful, though calm, defence of his economic policies at yesterday's joint meeting of the Cabinet and Labour's NEC.

Brushing aside Left-wing demands for import controls,

warning had been sent to Mr. Benn, with copies to other members of the Cabinet, on March 8.

The Prime Minister had reminded them that they should not depart from the principle of collective responsibility in discussions within the NEC or its statutory committees.

Ministers were not to take an active part in policies which were not the responsibility of their Departments, or to advocate policies which were not those of the Government. These constraints applied to Mr. Benn's Press conferences on the work of the party's Home Policy Committee, which has recently pressed for radical changes in the Government's economic programme.

The snubbing of Mr. Benn, however, appeared to be causing second thoughts among some of

the potential Left-wing vote for Mr. Michael Foot—who was himself helped yesterday by the brighter unemployment figures.

It seemed possible that fears that Mr. Benn and many of the policies for which he stands might be discredited by a poor performance in tomorrow's ballot could win him a bigger sympathy vote.

Mr. Benn and Mr. Crosland, by general consent at the tail of the field, were the only two candidates not invited to Downing Street last night for the Prime Minister's dinner for the Queen. The dinner-list was drawn-up some time ago, it was said. Mr. Callaghan, Mr. Jenkins and Mr. Healey were Ministers with a "special relationship" with the Queen and Mr. Foot was one of the Prime Minister's oldest colleagues.

## Warning of 8p tax rise if spending is not cut

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. DENIS HEALEY, yesterday warned Left-wing critics of the Government's economic policy that if public spending did not level out next year the standard rate of income tax would have to be raised by 8p to 43p in the £.

"Are working people, going to be prepared to pay that extra taxation?" he asked at the three-hour joint meeting of the Cabinet and the national executive committee of the Labour Party.

There was a limit to the amount people could be taxed, but even if things went well there would have to be slight increases over the next three years, Mr. Healey added.

The Chancellor also brushed aside Left-wing demands for import controls, saying that they

only made sense if imposed for five years and nobody wanted that.

Inflation was the major economic problem facing the Government and much would depend upon the successor to the £6 pay limit that would be agreed in the summer by the Government and the TUC.

Should public sector wages get out of control, workers such as postmen and railwaymen would be pricing themselves out of a job. The unemployment figures released yesterday showed that the Government's policy was working.

"We are set on the right course. I appeal to the NEC to give us credit for what we are doing and not to spend all their lives criticising their Government," Mr. Healey said.

## Pound reaches highest level for a week

BY MICHAEL BLANDIN

THE POUND rose yesterday as last week's heavy speculative pressure on exchange markets was reversed and the strains on the European joint float eased further.

Sterling reached its best level for a week against other currencies at noon, with its average depreciation from December, 1975, dropping to 33.5 per cent. At the close, it had widened a little to 33.6 per cent, but was still significantly better than the previous day's record closing, 33.9 per cent.

Against the dollar the pound picked up 45 points at 31.925, and with the D-mark slipping back after last week's sharp rises, both the U.K. and U.S. currencies gained generally.

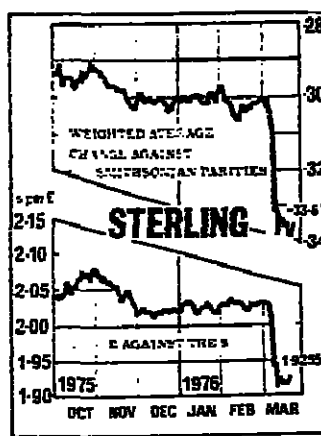
The sharpest reversal was in the European snake, where the Belgian franc ended the day at the top of the joint floating limits against the D-mark in quieter though still nervous markets.

### Contrast

This was in strong contrast with the previous week's experience, when the franc had been held above its snake floor only with the help of very large support both by the Belgian government and the U.K.

The move in the franc was estimated to have spent up to a quarter of its reserves in maintaining its value—and by the Bundesbank.

Following last week's repeated assertions that the D-mark would not be revalued, and that the snake would



remain in its present form, the mark lost ground yesterday as speculators unwound positions built up during the height of the currency unrest.

This helped its snake partners, including the Danish krone and others which had been under severe pressure, and produced a recovery in the U.S. dollar. The average depreciation of the dollar narrowed slightly from 2.12 per cent to 2.06 per cent, as calculated by Morgan Guaranty.

At the same time, the Italian lira continued its recovery following last week's emergency economic measures and the four-point jump in interest rates, ending yesterday at L3861 to the dollar against L3871 on Monday and a low point last week of L388. Its average depreciation narrowed again from 1.97 per cent to 51.47 per cent.

## Barclays may bring back bank charges

BY MICHAEL BLANDIN

PERSONAL CUSTOMERS of the big banks who have enjoyed free banking for the past two years may face moves to restore charges for running their current accounts. This follows an application by Barclays Bank to the Price Commission.

The new charges would be the first change in the personal account tariffs of the big banks since free banking for the bulk of customers was introduced in 1973 and 1974.

The moves are unlikely, however, to mean the abandoning of publishing tariffs which marked a major change in bank attitudes. It is thought that the Barclays proposals would have a marginal impact on the costs of current accounts.

They could take the form of either a rise in the minimum balance required to qualify for free banking or an increase in the charge made for cheque transactions.

At present, the big four banks reckon that anything between 70 and 80 per cent of their customers have no charges, depending on the particular tariff in use.

### Convinced

The cuts in charges were brought in when bank profits were rising sharply, and partly for political reasons when the banks were under attack. Sharp cost rises since have meant that the charges being levied are now even more uneconomic in relation to the cost of current account transactions.

The other big banks are expected to follow Barclays if it succeeds in raising charges. At present, they are all making a thorough review of the basis of their charges to both personal

and corporate customers, though with no immediate plans for making applications to the commission for changes on the personal side.

The other big three banks, Lloyds, Midland and National Westminster, have already this year convinced the Price Commission of their case for higher charges on some ancillary activities. These included the charges for specialised services such as provided by the banks' trustee department.

Mr. Anthony Tuke, chairman of Barclays, commented in his annual statement last week that the bank's trust company was no longer running at a profit. "It seems illogical," he said, "that its charges must be kept to their 1972 level simply because profits are still being earned in other parts of the group."

Apart from rises in charges for specialised services, Barclays is seeking increases in its personal account charges. At present, Barclays' personal customers get free banking if they maintain either a minimum balance of £50 in their account or an average balance of £100 each half year.

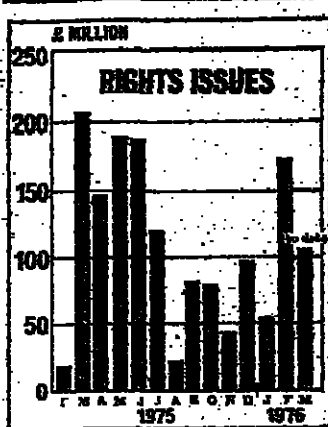
Below these levels, each withdrawal costs 7p with a 5 per cent offset for any funds held in the account. The tariffs of the big banks vary, with some requiring a £50 minimum balance, or a £100 average as the qualification for free banking. Some banks including the Midland and Williams and Glyn's offer free banking if the account remains in credit.

The Co-operative Bank said last night that it was looking at its charges, but there are no plans to make any changes to personal accounts.

## THE LEX COLUMN

## AP Cement at new peak

Index rose 7.8 to 399.1



Associated Portland's share price has been notably strong relative to Rugby in recent weeks following a steady upgrading in the market of 1975 profits expectations. The outcome—£42.5m, pre-tax against £22.5m—did not disappoint and the shares rose 7p yesterday to 191p. Cement price increases in the U.K. provide, of course, much of the explanation but demand in the second half of the year was not nearly as weak as expected and deliveries for 1975 as a whole were only 4.7 per cent down compared with a fall of 7 to 8 per cent envisaged last summer. Cost savings have also been having an effect after the temporary closure of kilns with a capacity of around 2m. tonnes against 1975 deliveries of 11.2m. tonnes.

There is no profits split at this stage, but to judge by the breakdown of the tax charge the U.K. may have accounted for perhaps two-thirds of the improvement; there have been advances, however, by most of the overseas interests. Probably there will be a further increase in profits from abroad in 1976 but little progress at home, given that the unit cost/price adjustment has worked its way through and the group faces higher fuel costs at some stage. Nevertheless, the expected profits increase in 1976 is likely to be greater than at Rugby so while the shares may have had their run for the moment there is nothing obviously vulnerable in a capitalisation of £154m. and yield of 6½ per cent.

Both funds also have a partly educational aim to get both U.K. and Continental investors more accustomed to options trading. There is certainly no shortage of options enthusiasts in London and while no decision is likely to be reached for a few months there is the spur that Amsterdam hopes to be operating early next year.

### Agar Cross

Thanks mostly to a revaluation of Nigerian property the shareholders' funds of Agar Cross are shown to have improved, from £297,000 to £454,000 in the delayed report for the year ended last March.

But it will still be very tricky to devise terms for the promised bid from Newman Industries, with the nominal value of the Preference capital standing at £650,000, before dividend arrears of £585,000, while the Ordinary shares carry 62 per cent of the votes. The market value of the Preference, and presumably the BICC's share 1975 results by capitalisation of the Preference, is £380,000, and of the Ordinary about half that.

Last week's interim statement, however, showed that AC is doing well in the booming Nigerian economy, with net no dividend income attributable earnings of £131,000 for the half-year to September. No details are given of the cover is spare but a commission arrangement with NIS Marketing, the Newman subsidiary, which has helped to produce this upsurge. But the shareholders are now promised judge by the latest to

Continued from Page 1

## Rhodesia

since it not only made clear Britain's commitment to "no independence before majority rule" (the Bimbar of ten years ago), but also for the first time laid down a timetable for independence.

The President said he thought there might be some debate over the 18 months to two years which Mr. Callaghan had given as the interval between an agreement in principle and actual independence. Pointing out that a number of "liberal" white Rhodesian spokesmen had already expressed the opinion that the period might be too long, the President said he believed the guerrilla fighters operating against Rhodesia could find it too long.

He cautioned against Britain or anyone else ignoring the opinion of the guerrillas who he termed a "third force" in addition to the recognised African leaders of the African National Council.

The guerrillas now fighting on two of Rhodesia's borders did not yet appear to be making any progress, but they would increasingly make the running and were a force to be reckoned with. President Nyerere said that outsiders had tended to believe that the leaders of the two factions of the ANC—Bishop Muzorewa and the Rev. Sithole—of the external wing and Mr. Joshua Nkomo—commanded the guerrillas, but they did not.

The guerrillas refused to be identified with either faction. Although he was not overly optimistic, the Tanzanian President said he still hoped that the two ANC factions might unite—at least in joint backing for the guerrillas.

Although he clearly believed that it is now necessary to "maximise the pressures" on White Rhodesians, including the guerrilla war, the President said he still saw "the end" of Rhodesia as taking place round the conference table constitutional talks.

He warned, however, of the dangers inherent in dealing with Mr. Smith, whose tactics seemed to be to involve others in the conflict as a means of rescuing his own position. Even if Mr. Smith were to do the apparently impossible, and give up UDI for a return to legality, that would not be the end of everything."

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## EEC subsidises U.K. food imports, says Lardinois

FINANCIAL TIMES REPORTER

A VIGOROUS defence of the EEC's Common Agricultural Policy as a boon to the British housewife and farmer, combined with a stern warning that monetary chaos is bringing the policy close to collapse, was delivered by Mr. Pierre Lardinois, the Brussels Commissioner for Agriculture, in London yesterday.

"The CAP has played an important role in British anti-inflation policy by protecting consumers from the effects of the falling value of the pound," Mr. Lardinois told a conference organised by the European League for Economic Co-operation.

"He pointed out that ever since EEC entry in 1973, almost all of Britain's food imports had been subsidised by the Community, to the extent of more than £285m. so far.

"Last year alone, the subsidies were worth £190m., equal to more than 30 per cent of the British Government's total expenditure on food subsidies. Following the latest falls in the value of the pound, the Community is now spending at the rate of about £15m. a month on these food import subsidies," he said.

At the same time, the CAP had helped British farmers through a very difficult period and would go on helping them to realise their potential.

"This has been done, without too heavy a burden on taxpayers or without disrupting trade relations with countries outside the Community."

Mr. Lardinois went on to stress that the CAP had also given Britain access to secure supplies of food during periods of severe world market shortages. Community subsidies totalling some £42m. on sugar imports from the high-priced world market, plus an influx of supplies from the Continent, had helped British overcome its recent sugar difficulties.

There had also been EEC subsidy schemes for beef and butter at different times in the past two years.

"It is not true to say that the CAP takes money from the British taxpayer and gives it to inefficient farmers in other Community countries," he declared. On balance, between 1973 and 1975, Britain had gained in crude financial terms as much from the CAP as it had spent.

Mr. Lardinois voiced his growing anxiety about the effect of monetary instability on the policy.

Unbearable

"For several years the CAP has managed to ride out the dangers of disintegration caused by the lack of a common economic and monetary policy. But I must warn you now that we are almost at the point where the strains are becoming unbearable."

The fact that Finance Ministers could not tackle the monetary disruptions within the Community had given a free hand to speculation, with the attendant evil of disintegration.

Mr. Lardinois stressed the

need for decisions reshaping the severely damaged snake currency arrangements. Since the decisions affected the whole Community, they should be taken within the EEC institutions.

On the recent controversial 1976-77 EEC farm prices packages, Mr. Lardinois said he regretted that Agricultural Ministers had not taken immediate action to tackle the problem of dairy surpluses.

"But the very fact that there was a settlement in, in my view, a major success. It proves, as far as agriculture is concerned, that the Community decision-making process is sound."

John Edwards, Commodities Editor, writes: Another warning that monetary instability threatened the whole future of the Common Agricultural Policy was delivered yesterday by Sir Frederick Kears, second Permanent Secretary at the Ministry of Agriculture and chief adviser to Mr. Fred Peart at the Brussels Farmers' Ministers' meeting.

Sir Frederick, speaking in London, warned: "If we cannot operate our currencies in a way which makes the CAP possible, then it is quite on the cards that the CAP will cease to exist."

"Without the CAP there can be no promotion policy and no prospect of any common industrial policy. The possibility is that the whole concept of European integration would fail," he added.

## Strike talks meeting on Friday

By Our Labour Staff

A MASS meeting of workers at a North London GEC subsidiary who have been on strike for over ten weeks will be held on Friday. This follows new talks between union representatives and management at industrial fan manufacturers Keith Blackman under the auspices of the Independent Advisory, Conciliation, and Arbitration Service.

The dispute is over a shop steward dismissed for carrying out official union business at another company despite warnings from the Keith Blackman management that he would not be given time off.

ACAS is expected to issue a code of practice on this issue to clarify the Employment Protection Act, which entitles members of independent trade unions reasonable time off for union activities but does not specify whether branch union meetings or other activities outside the company would qualify under this heading.

At Friday's meeting, the union are expected to put forward a formula agreed with the company which would enable a return to work while further talks were held.

Continued from Page 1

## Unemployment falls

the sudden improvement in the employment position this month. Given the changed picture presented by the run of recent economic statistics, there are some Government advisers who would like the Chancellor to make no attempt at all to stimulate the economy in his Budget, Tuesday, April 6.

For a long time, however, some degree of "modest reflation" has been seen as the sine qua non of the run-up to Stage Two of the income policy, although the tax "cuts" will consist of no more than mitigating the automatic effect of inflation in swelling the Government's direct tax take.

A variety of figures have been discussed by the Chancellor and the TUC for Stage Two, and the impression given in Westminster and Whitehall now is that the atmosphere is favourable for a relatively low "norm" to succeed the present 55 limit.

But atmospheres can change, and the essential point about the adjustments to tax allowances which are expected to be an-

nounced on April 6 is that they will be conditional on the shape of Stage Two.

This cannot be fully negotiated until after the Budget, because the Chancellor's reference season will not allow it. Giles Merritt writes from Belfast: Unemployment worsened during March. Seasonally adjusted, the jobless figure reached a new peak of 9.2 per cent, a 4.9 per cent increase over the same month last year.

The total number of jobless climbed slightly to 46,000, excluding school leavers from February's level of 47,000 or 9.1 per cent. Although the rise is comparatively small, it underlines the continuing trend that has pushed Northern Ireland's unemployment figures from 6.3 per cent in March 1975 to 9.3 per cent in January and now 9.2 per cent.

The overall jobless total, which includes school leavers but will now exclude students, improved marginally, dropping from 9.8 per cent in February to 9.7

## Glasgow planning breach denied

GLASGOW DISTRICT COUNCIL Planning Committee yesterday approved on-surface work for the £1m. modernisation of St. Enoch underground station, part of Greater Glasgow Passenger Transport Executive's £20m. project for re-equipping and recon-

structing the underground. The executive in a statement last night strongly denied a report that the work started a few weeks ago without planning authority, and said it was authorised by a 1975 Act of Parliament.

## Weather

### U.K. TO-DAY

U.D. especially in S.E.  
S.E. England, E. Anglia  
furry showers, bright inter-  
Wind E., moderate. Max.  
(41F).

Cent. S., E. Cent. N. and N.E.  
England, Midlands, Channel Is.  
Mainly dry; sunny spells. Wind  
E. Light. Max. 6C (43F).

S.W. and N.W. England, Wales  
Lakes, Is. of Man, Bristol, Edin-  
burgh, Dundee, Glasgow and

### BUSINESS CENTRES

Y'day	mid-day	Y'day	mid-day
Alexandria	20	Madrid	9
Amsterdam	14	Manila	27
Antwerp	18	Medan	27
Batavia	13	Mexico	27
Bombay	13	Montevideo	27
Buenos Aires	13	Moscow	27
Canton	13	Nairobi	27
Cebu	13	Paris	27
Hankow	13	Rangoon	27
Hong Kong	13	Singapore	27
Kobe	13	Tokyo	27
London	13	Yokohama	27
Luxembourg	13		

### Aberdeen, S.W. Scotland, High-

lands  
Rather cloudy, rain at times;  
snow on high ground. Wind S.  
fresh or strong becoming  
moderate. Max. 7C (45F).

Mersey, Firth, N.E. and N.W.  
Scotland, Argyll, Orkney, Shet-  
land, N. Ireland  
Rather cloudy with rain; snow  
over high ground. Bright and  
drier later. Wind S., fresh or  
strong veering W. and moderat-  
ing. Max. 6C (43F).

Outlook: Changeable. Rather  
cold with night frosts.  
Lighting up: London 19.50,  
Manchester 19.50, Glasgow 20.00,  
Belfast 20.14.

### HOLIDAY RESORTS

Y'day	mid-day	Y'day	mid-day
Alicante	13	Barcelona	13
Amsterdam	13	Batavia	13
Antwerp	13	Bombay	13
Buenos Aires	13	Canton	13
Cebu	13	Hankow	13
Hong Kong	13	Kobe	13
London	13	Luxembourg	13
Manila	13	Medan	13
Montevideo	13	Moscow	13
Nairobi	13	Paris	13
Rangoon	13	Singapore	13
Tokyo	13	Yokohama	13